FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Rail talks at Acas end in failure

Talks between British Rail and Aslef, the train-drivers' union, with the Advisory, Conciliation and Arbitration Service, aimed at averting a 48-hour strike on January 13 and 14 and an overtime ban from next Monday, collapsed last night.

Acas negotiators had held separate talks with each side over five hours but were unable to bring them together for a joint meeting. Acas remains in touch with each side.

Penlee funds may exceed £2m

The Cornish trust administering the Penlee lifeboat fund said it stood at £1.2m. Mail remains to be processed and the fund may reach £2m, more than the £1.75m given after the Aberfan disaster. The fund will be distributed to the eight widows and 12 children according to reasonable needs and, by law, any surplus applied to other charities.

The separate Penlee fund set up by Newlyn and District Fishermen's Association exceeded £250,000 yesterday. It will be divided among the eight families.

Search called off

Falmouth coastguard said the search for 30 crewmen missing from the sunken Italian bulk carrier Marina di Equa would not be resumed today. Fears grew for the coaster Mark after a stove-in boat was found at Marazion, Cornwall.

Spanish gales

Drought-stricken Spain was lashed by gales causing two deaths, destruction and long power cuts.

Typhoon toll

The death-toll from Typhoon Lee in The Philippines rose to 156 people, while 1,586 were reported injured and 129 missing. The damage to crops and property was estimated at £13m.

Gelignite found

More than 200 sticks of gelignite, weighing over 100 lb, and detonators were found in a sports holdall in a field near Glasgow. Police are investigating.

Jets over Iraq

Iraq said two Israeli F-15 fighters flew 30 miles into west Iraq but were driven off by Iraqi aircraft.

Garment label law

All new garments, except those bought-in by shops in 1981, must carry a label stating their country of origin from tomorrow. Page 4

Nelson touch

Police Sergeant the Lord Nelson will light at Great Yarmouth the first of a chain of 80 beacons and bonfires along England's coast to herald New Year, dubbed Maritime England Year by the English Tourist Board whose London beacon will be lit in St Katharine's Dock.

Briefly . . .

A Venture Scout survived a 800-ft fall down a Snowdonia mountain.

Gambia's parliament joined Senegal's in ratifying the Confederation of Senegambia.

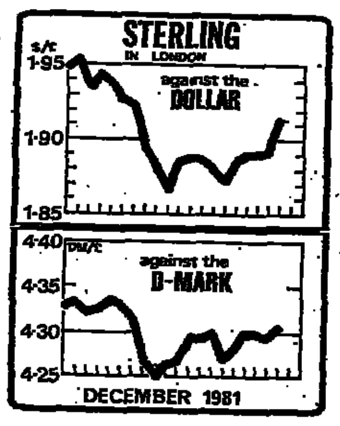
Financial Times

The Financial Times will not be published tomorrow, New Year's Day. The next issue will be on Saturday, January 2. The Monday, January 4 paper will contain a series of special articles looking at the prospects for the world's major economies and individual industry sectors in 1982. These will include interviews with the heads of some of Europe's leading companies.

BUSINESS

Sterling up 2.2c; equities rise 4.8

● STERLING added 2.2c to \$1.9130, and improved in a quiet market to DM 4.3050 (DM 4.2950), FFr 10.93 (FFr 10.8550) and Y420 (Y419.75). Its trade-weighted index was 90.9 (90.5). Page 15



● DOLLAR weakened to DM 2.2510 (DM 2.2710), SwFr 1.7975 (SwFr 1.8050) and Y219.50 (Y222). Its trade-weighted index fell to 107.2 (107.7). Page 15

● EQUITIES moved higher on selective demand in inadequately stocked markets. The FT 30-share index rose 4.8 to a three-week high of 528.8. Page 18

● GILTS.—The Government Securities index eased 0.01 to 62.36. Page 18

● GOLD rose \$3.75 to \$398.25. Page 15

● WALL STREET was up 7.99 at 876.24 near the close. Page 16

● BANK OF FRANCE cut its money market intervention rate from 14¾ per cent to 14½ per cent with the purchase of FFr 10bn (£915m) first category paper.

● BRITISH SHIPBUILDERS has given its unions a draft charter aimed at improving relations and work practices. Page 6

● NEWSPAPER lorry drivers threaten to disrupt distribution from midnight tonight, demanding extra pay because tachographs are being fitted. Page 6; Farm trucks tangle, Page 17

● OIL DELIVERIES this winter are being delayed by Customs red tape, the Federation of Petroleum Suppliers says. Page 6; North Sea tax structure examined, Page 6

● FARM GRANT investment limits under three Government schemes have been raised. Page 17

● U.S. STEEL imports rose in November to 26 per cent of the market, with EEC penetration growing most. Page 3

● FRENCH OIL refiners may close five installations, cutting capacity from 166m to 144m tonnes a year. Page 14

● MOBIL extended its \$6.5bn (£3.4bn) offer for Marathon Oil until January 31. Page 14

● ROTHMANS International subsidiary Peter Styvesant will launch a tour operating company at a cost of £500,000. Back Page

● EUROPEAN FERRIES plans a chain of car accessory and service centres under its Townsend Thorensen subsidiary. Back Page

● NELSON DAVID, vehicle retailer and repairer, asked its bank to bring in receivers and managers. Page 12

COMPANIES

● ARLEN ELECTRICAL plunged from pre-tax profits of £331,600 to £691,000 losses in the year to June 30 and is omitting its final dividend. Page 12

● J. F. NASH SECURITIES advanced taxable profits from an adjusted £331,000 to £624,000 in the year to September 30 but is reducing its final payout. Page 12

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Excheq. 12¼pc 1985	£89⅜	+ ¼
Barclays Bank	448	+ 18
Bowater	218	+ 5
British Aluminiaum	58	+ 10
Brown Boveri Kent	27	+ 4½
Bryant Hldgs.	78	+ 5
Cornell Dresses	162	+ 14
Exco	185	+ 7
Finlan (John)	145	+ 13
Foster (J.)	28	+ 4
Gieves Group	31	+ 4
Glanfield Lawrence	49	+ 4
Guinness Peat	95	+ 5
Horizon Travel	282	+ 10
MFI	59	+ 4
Metal Box	162	+ 6
Midland Bank	345	+ 15
NatWest Bank	402	+ 12
Pleasurama	297	+ 9
Quest Automation	135	+ 10
Rank Org.	176	+ 6
Tarmac	400	+ 8
Tate and Lyle	198	+ 10
Trident TV A	68	+ 4
Tube Invs.	128	+ 8
Utd. Wire	92	+ 11
Watson and Philip	54	+ 11
Westland	110	+ 8
FALLS		
Arlen Electrical	18	− 5
Brunning	90	− 5
Harris (P.)	112	− 14
Jenks and Cattell	44	− 16

Western Europe cool to U.S. sanctions against Soviet Union

BY DAVID TONGE IN LONDON AND JONATHAN CARR IN BONN

WESTERN EUROPE distanced itself yesterday from the U.S. decision to impose sanctions on the Soviet Union because of Soviet involvement in the Polish situation, but made clear that the EEC attitude would harden if the Warsaw authorities did not return to the course of reform.

West Germany said it would not take economic measures against Russia, and Britain indicated that it believed any pressure for lifting the state of emergency and freeing detainees should be restricted to Poland. France was still undecided.

Herr Kurt Becker, Government spokesman in Bonn, rejected the U.S. view that the Soviet Union was behind imposition of martial law in Poland.

The European reaction has underlined the gulf between the EEC and Washington over the Polish crisis. Chancellor Helmut Schmidt of West Germany is expected to make his position clear when he meets President Reagan in the U.S. capital on Tuesday.

EEC Foreign Ministers meet in Brussels on Monday to co-ordinate their policies, and it was agreed yesterday that a Nato Foreign Ministers meeting should take place in the first half of January.

Dr Joseph Luns, Secretary-General of Nato, accused Russia last night of complicity in the conduct of the Polish military authorities.

The regime, he said, was violating human rights agreements.

"The conduct of the Polish military authorities and the complicity of the Soviet Union are in violation of the UN Charter and the Helsinki Final Act," Dr Luns said after a meeting of Nato representatives.

Britain said that the crisis demanded an immediate meeting of Foreign Ministers or their deputies, and tried unsuccessfully to arrange this yesterda, sending out invitations for a meeting in London today.

The Western European warning was given during four hours of talks in Bonn yesterday between Herr Hans Dietrich Genscher, West German Foreign Minister, and Mr Mieczyslaw Rakowski, Polish Deputy Prime Minister.

Herr Genscher called on Warsaw to remove martial law, release those detained over the last few weeks and restart talks with Solidarity and the Roman Catholic Church.

He implied that unless Warsaw took firm steps to back up its pledge of dedication to reform, the EEC might resort to more than verbal pressure.

Mr Rakowski is said to have taken Herr Genscher's remarks very seriously indeed, but there was no word on what firm undertakings, if any, he felt able to give.

Bonn has made clear that it does not consider that the Polish military took over on Soviet instructions. It therefore does not support at present imposition of sanctions against either Warsaw or Moscow, as the U.S. has urged.

It has also underlined that talks about a return to a reformist course must be backed by deeds if Bonn's present policy is to be maintained.

In London yesterday senior officials from the Foreign Ministries of the European Community prepared for Monday's Foreign Ministers' meeting.

Discussions focused on the latest reports from Poland, suggesting that the authorities were hardening their attitude toward Solidarity and might try to smash it once and for all.

Officials discussed the effect of the U.S. ban on gas and oil equipment exports to Russion and the future of EEC food aid.

Tass, the Soviet news agency, denounced the measures announced by Mr Reagan, called the President a liar, and said his programme of economic sanctions against Moscow was "doomed to failure."

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Manufacturing jobs lost at rate of nearly 1,000 a day

BY DAVID MARSH AND ROBIN PAULEY

NEARLY 1,000 manufacturing jobs in industry were lost every day this autmn despite a slight economic recovery since the middle of the year, said Government figures last night. But the rate of job loss has slowed sharply since the worst months of the recession.

Further evidence of only a sluggish economic upturn comes from a seperate report by the London Chamber of Commerce and Industry.

Based on a survey of manufacturing companies in London and the South-East, this classifies the recovery as "limited and patchy," and holds out little hope of improvement in employment.

A total of 65 per cent of the 400 companies questioned in the survey call for cuts in interest rates rather than a reduction in taxation as the most effective way of speeding industrial recovery. The latter option was favoured by only 28 per cent.

Putting a significant dampener on Government hopes of a New Year upturn, the companies interviewed were generally gloomier about prospects for the next 12 months than when last questioned four month ago.

The jobs statistics in the Department of Employment's Gazette, show that average monthly decline in manufacturing jobs fell to 28,000 (seasonally adjusted) in the three months to October, compared with 77,000 in the second half of last year and 49,000 in the first six months of 1981.

Since industrial output grew by 1.5 per cent in the three months to October compared with the previous quarter, the further decline in manufacturing employment has led to a sharp increase in productivity.

Fears that companies will not need to increase staff levels to accommodate further gentle increases in output provide the main reason why unemployment next year is expected to continue rising.

At end-October manufacturing employment was 5.82m, seasonally adjusted, down 32,000 from September, making a total fall of 1.24m, or 17.6 per cent, since the downturn began in June 1979.

The Department estimates that loss of 95,000 manufacturing jobs in the July-to-September quarter accounted for about two-thirds of the overall decline of about 150,000 in total em-

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Directors seek personal tax cut, Page 4
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Top awards for industrialists

BY MARGARET VAN HATTEM

THE PRIME MINISTER has singled out some of Britain's leading industrialists and businessmen for the top awards in the New Year's Honours List.

Sir Charles Forte, executive chairman of the UK's biggest hotels and catering group, Trusthouse Forte, has been made a life peer, and Mr Nicholas Goodison, chairman of the Stock Exchange, becomes a Knight Bachelor.

Other rewards for success in industry include a life peerage for Sir Nicholas Cayzer, chairman of British and Commonwealth Shipping.

Knighthoods go to Mr Lawrie Barratt, chairman of Barratt Developments, the housebuilders; Mr James Cleminson, chairman of the food group Reckitt and Colman; and Mr Trevor Holdsworth, chairman of the engineering group Guest Keen and Nettlefolds.

Mr Robert Scholey, chief operating officer and deputy chairman of the British Steel Corporation, becomes a CBE.

Elsewhere, Mr Peter Neivens, deputy assistant commissioner in the Metropolitan Police, receives an OBE. On Tuesday it was announced that he is to join Trident Television with executive responsibilities for the company's newly acquired Playboy casino interests.

Political and Civil Service honours appear to have been confined largely to those nearing the end of their careers and, in the Civil Service, to those who did not take part in this year's strike.

The number of civil servants honoured is up from 119 in the

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FT COLUMNIST MADE OBE

MR JOHN CHITTOCK, the Financial Times columnist on industrial films and video, has been made an OBE for his services to films and television. A producer as well as a writer on films, Mr Chittock, aged 53, started his FT column in 1962.

He is consultant editor to the Royal Television Society and is responsible for Television, its magazine. He is also publisher of Screen Digest, a member of the Interim Action Committee on the Film Industry and the Photographic Board of the Council of National Academic Awards.

Mr Chittock, vice-president and a former chairman of the British Federation of Film Societies and president of the Film and Video Press Group, is a holder of the Royal Photographic Society's Hood Medal and of the Queen's Silver Jubilee Medal. He is a Fellow of the Royal Photographic Society and the British Kinematograph, Sound and Television Society.

Call for reopening of Ford pay talks

By John Lloyd, Labour Correspondent

MR JACK WHYMAN, chief negotiator for Ford's second biggest union, the Amelgamated Union of Engineering Workers, has said that talks should reopen on the revised offer rejected by union negotiators last week after talks at the Advisory Conciliation and Arbitration Service. Ford is facing a strike from January 5.

Mr Whyman, an executive member of the AUEW and secretary of Ford's national joint negotiating committee, said last night: "I am in favour of our members knowing what the score is on the latest offer.

"I feel that someone should be putting something together on this before next Tuesday (the day from which the strike has been called)."

Mr Whyman emphasised that no meetings had been arranged, and said the AUEW had a strike fund of £500,000 — enough to pay its 10,000 member £12 a week for four weeks.

But he said he had been in favour of forther talks after a revised offer had been tabled by Ford at the Acas talks last week.

Ford's commitment to parity in pension rights between staff and manual workers, and to institute the 39-hour week in the lifetime of next year's agreement, had gone a long way to meeting the unions' demands.

"We can afford a strike, but so what? It's what the members would lose by it that matters. We would be prepared to meet anywhere, anytime, to discuss proposals," Mr Whyman said.

Mr Ron Todd, the union's chief negotiator and senior national officer of the Transport and General Workers Union, which has about 35,000 of the 54,000 manual workforce, has remained adamant that the strike will go ahead unless the company improves its offer.

He has laid particular stress on the need to improve pension rights, and to introduce the 39-hour week earlier than its proposed inception in November 1982.

The company said last night it had no fresh proposals. It [illegible] hopes for an 11th-hour call from the unions, possibly for another round of talks at Acas.

£ in New York

—	Dec. 29	previous
Spot	\$1.9010-9020	\$1.8900-8920
1 month	0.28-0.23 dis	0.31-0.25 dis
3 months	0.78-0.73 dis	0.85-0.74 dis
12 months	1.20-1.00 dis	1.40-1.20 dis

Mortgages push bank lending to record level

BY WILLIAM HALL, BANKING CORRESPONDENT

BANK lending to UK residents both in sterling and foreign currencies in the three months to mid-November registered its biggest single increase since the Bank of England started to compile the current series of statistics in 1975.

This rapid growth has been highlighted in recent monthly money supply figures but the latest quarterly analysis underlines the impact on the overall growth in bank lending of the banks' expansion into the mortgage market.

In the three months to mid-November banks lent £905m for house purchase. This compares with £600m in the previous quarter and £311m in the quarter before that.

In the year to May the banks increased their outstanding mortgage loans by 30.2 per cent to £3.2bn but in the year to mid-November, they increased their loans by 71 per cent to £4.7bn.

A year ago the banks accounted for less than 10 per cent of the new home loan market but on the basis of the current statistics, and the latest building society figures, their share has risen to about 40 per cent.

Bank lending for house purchase accounted for more than 70 per cent of personal lending in the latest quarter and more than a fifth of total sterling loans.

The authorities are watching the situation closely, conscious of the complaints of some building societies that the banks are being too aggressive in bidding for this business.

Sterling advances and acceptances to UK residents rose more than £4bn between mid-August and mid-November. When seasonal factors are taken into account the increase in lending to the private sector of £3.8bn is the largest — in absolute terms — since the series started.

Within the total, acceptances rose £1.0bn (24 per cent), mainly due to the large increase in the number of banks permitted to do eligible bill business.

Lending to manufacturing, which has been depressed by the Civil Service dispute, showed a fairly modest increase of £501m, with the chemicals, food, drink and tobacco industries accounting for most of the increase.

The figures also show a sharp rise in foreign currency advances and acceptance lending to UK residents. This rose by £1bn, or 8.5 per cent, in the latest three months.

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Bank unveils £500m 3% stock for high tax payers

BY DAVID MARSH

THE BANK of England unveiled its New Year offering for high tax payers yesterday by launching a £500m low-coupon Government stock designed for investors seeking capital appreciation rather than income.

The stock, 3 per cent Treasury 1987, will go on sale on January 7 at a minimum price of £64.5 per cent, to be paid in full at the tender.

The low issue price makes the bond attractive to high-income investors wishing to secure non-taxable profits as the price rises towards par during the maturity of the stock.

The bond was launched on to a quiet gilt-edged market which finished with small gains on hopes of interest rate falls early in the New Year. Short-term issues rose £⅛ while long-dated stocks ended £⅛ higher.

Aided by a surplus in the domestic banking system and lower Eurodollar interest rates, conditions eased yesterday on the London money market.

Three month interbank rates fell to about 15⅝ per cent from Tuesday's 16 per cent, while the one-week rate fell even more sharply to 14⅝ per cent, from 15 per cent.

In very thin trading on foreign exchanges, sterling closed in London 2.2 cents higher at \$1.9130 as the dollar reacted to lower U.S. interest rates.

Although liable to income tax, Government bonds are free of capital gains tax if held for more than 12 months.

The running yievd on the new issue is only 4.65 per cent, but if held to final maturity redemption at £100 per cent ensures a yield of 11.97 per cent.

The stock is the fourth low-coupon issue launched this year, making a total nominal volume of £1.5bn.

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EUROPEAN NEWS

Tass assails U.S. 'deceit and lies'

BY OUR MOSCOW CORRESPONDENT

TASS, the official Soviet news agency, yesterday angrily denounced the U.S. economic sanctions, saying they were doomed to end in "shameful failure." In a strongly-worded report from Washington, the agency said President Ronald Reagan had resorted to "direct deceit and lies" in accusing the Soviet Union of involvement in the military clampdown in Poland.

Brushing aside the possible effects of the sanctions, Tass said Moscow would never allow anyone to talk to it in the "language of blackmail and diktat."

Washington was whipping up a campaign of hatred against Socialist countries, primarily the Soviet Union, it said with the aim of reducing Soviet-U.S. relations to a bare minimum.

The report outlined the Reagan Administration's sanctions though it did not mention specifically the attempt to block the export of U.S. gas pipeline technology to the Soviet Union. It made a point, however, of stressing that the moves affected agreements signed by the U.S. This suggests that Moscow will renew a charge, made during the Carter Administration's grain embargo, that Washington is an unreliable trading partner.

Tass claimed that Washington was infuriated by the failure of what it said were its plans to restore capitalism in Poland through agents in Polish dissident groups and the *Solidarity* union movement.

The imposition of martial law was Poland's internal affair, *it said. President* Reagan's claim that Moscow had interfered or that it bore direct responsibility for the Polish situation were "groundless."

The agency repeated Soviet charges that the Polish crisis was the result of subversive action by the U.S. Central Intelligence Agency, whose agents had burrowed deep into the ranks of counter-revolutionary forces in Poland.

Tass also poured scorn on President Reagan's warning of possible further sanctions unless Warsaw and Moscow acted to end military rule in Poland.

"Reagan, having falsely accused the Soviet Union . . . of alleged interference in Polish affairs, virtually demanded that the USSR interfere in Poland to lift the measures taken by the government of the Polish People's Republic."

Western analysts in Moscow were cautious in assessing the likely effect of the sanctions but most trade experts thought that the gas pipeline technology could be bought elsewhere, either from Westen Europe or *Japan.*

They suggested, however, that Moscow will be concerned at President Reagan's decision to hold up grain talks if it thinks this could affect U.S. shipments. The consensus among western trade experts here is that the grain embargo imposed by the Carter Administration hurt the Soviet Union in spite of its claims to the contrary.

Authorities harden attitude to Solidarity

BY OUR FOREIGN STAFF

THE POLISH authorities have hardened their attitudes on the future of the Solidarity union and its leader, Mr Lech Walesa, according to an uncensored pooled despatch reaching the West yesterday. This suggests they may be considering smashing the movement rather than risk allowing it to regroup.

Up to Christmas, the authorities had indicated they might allow Mr Walesa and the full praesidium of Solidarity to meet. Now, they have stopped talking in terms of such a meeting.

Mr Walesa has stated repeatedly that he would not *appear on television or make* any pronouncement on martial law without first discussing the situation with other Solidarity leaders, according to Poles close to the Catholic Church in Warsaw.

A permanent crackdown on Solidarity would bring the authorities into direct conflict with the Church, which has been insisting on the union's return. This point was made forcibly by the Pope in his letter to Gen Wojciech Jaruzelski. However, Polish observers say it is unlikely that any national union structure has survived the past two weeks of repression.

A skeleton Solidarity staff has managed to print special bulletins but admits that its information is often sketchy and delayed. However, members who have managed to travel report little work in the main industrial centres. They say that many workers are on a go-slow and others cannot work because of a shortage of raw materials.

The Church in Warsaw has established a network for aid and information on the fate of prisoners. Officials say they *have received a list of 49 places* where prisoners are held and that priests have been allowed into most of these to say Mass *and bear confessions.* However, they doubt whether only 5,000 people are detained, as the *authorities claim.* Opponents of martial law say that they have a list of nearly 1,000 people arrested in the Warsaw area; the official figure is about 400.

According to teachers, some first-year students have been drafted for military service. They expect university courses for other students to resume towards the end of January. The Solidarity bulletins warn *people to beware of infiltration* by security forces. One traveller reaching London yesterday said some troops in Polish uniforms were Russian.

Bonn puts hope in return to reformist path

BY JONATHAN CARR IN BONN

"*WE ARE all basically agreed* to do nothing. The problem is how this is to be made clear in public." This, in the view of a *senior West German official*, is the position of the Western European countries following announcement of U.S. sanctions *against the Soviet Union.*

It is recognised that some governments have made tougher public remarks about the Polish *crisis*. But it is *not* believed here that the European Community or the European Nato states will match the U.S. action against Moscow, as President Ronald Reagan seems to hope.

The meeting of EEC foreign ministers in Brussels next Monday should show how far Bonn's analysis is correct. Its own view, at any rate, is clear enough. It feels Mr Reagan has acted partly because of domestic pressure, and partly because of an analysis of the Polish situation which Bonn does not agree.

The Americans clearly see Wojciech Jaruzelski, Poland's leader, as "the long arm" of Moscow. The West Germans see him as the last chance for an internal Polish solution without Soviet military intervention. If Gen Jaruzelski gives no early *sign of returning to the course* of reform as he has promised, then Bonn says it will think again. Until then, it sees no *point in stiffening the largely* symbolic action already taken against Warsaw (blocking new state economic aid "so long *as the repressive measures* persist"), and still less in introducing sanctions

That said, the West Germans do not regard the U.S. action as particularly tough in itself. Most annoying for them is Mr Reagan's suspension of licences for equipment to be used in building the natural gas pipeline from Siberia to Western Europe. They believe this may make harder, but will not stop, the project. The U.S. opposed the pipeline long before the Polish crisis arose, on grounds that it would make West Germany too dependent on Soviet energy. In Bonn's view, this is not so, and the deal must go ahead.

The other U.S. measures—such as postponing grain negotiations and imposition of "port access" controls—are judged here to be more rhetorical than practical. The same goes for the steps against *Warsaw which Mr Reagan* announced on December 23. But that does not mean that Bonn is not seriously worried about the *impact* the U.S. action *may* have on East-West relations generally.

There is relief that the Soviet-U.S. nuclear arms negotiations in Geneva are not to be halted. But will the Soviet side be ready to go ahead with those talks as as though no U.S. sanctions had been taken?

The government official pointed out that Chancellor Helmut Schmidt had spent much of his time, during his meeting here in November with President Leonid Brezhnev, seeking to explain and clarify U.S. policy intentions. In particular, he underlined that Mr Reagan was keenly interested in genuine disarmament measures. But the Chancellor also stressed that if no Geneva accord was reached by mid-1983 then West Germany would accept deployment of new U.S. missiles on its territory. In other words, time is precious and Bonn has a strong interest in seeing the Geneva talks proceed unhindered.

The U.S. has also been considering calling for a special *session on Poland of the* European security conference in January. Bonn is worried that this would bring firm Soviet opposition and a breakdown of the Madrid conference.

It is against this background that Herr Schmidt, now holiday*ing on an island off Florida*, will meet President Reagan next Tuesday. The talks had been planned months ago and were intended (at least by the West German side) to concentrate above all on economic matters — recession, unemployment and high interest rates. The Chancellor was also intending to give Mr Reagan details of his discussions with Mr Brezhnev.

It is clear now that the Polish situation, and the Western response to it, will head the agenda. It is noted here that if, against expectations, the West Germans find themselves isolated among their European partners over sanctions, then Herr Schmidt's position in Washington will be highly uncomfortable. But it is felt more likely that he will find himself explaining why Western Europeans as a whole are reacting with caution.

Knives out for Rakowski in Polish party

BY LESLIE COLITT IN BERLIN

THE POLISH Deputy Prime Minister, Mr Mieczyslaw Rakowski, undertook the most thankless mission of his 33-year career in the Polish Communist Party during his talks in Bonn yesterday with Herr Hans Dietrich Genscher, the West German Foreign Minister.

The eloquent Mr Rakowski summoned every skill at his disposal to try to convince Herr Genscher that Warsaw's "Communists in uniform"—as a Polish army spokesman dubbed the military council—intend to carry out reforms originally forced on the Communist leadership by the Solidarity union.

Mr Rakowski, the unofficial spokesman of the party's reform wing, will need more than dexterity to survive the political minefield awaiting him at home. The Soviet Communist newspaper, Pravda, has indicated strongly that Moscow wants a purge of reformers in the Polish party which it accuses of collapsing in the face of Solidarity.

The 55-year-old official, who is still editor-in-chief of Polityka, the suspended weekly newspaper of the reform Communists, faces the wrath of hardliners who, he said not long ago, were calling for his head. In a recent interview he said that his opponents in the party, headed by Mr Stefan Olszowski, accused him of "selling out Socialism" by negotiating with Solidarity.

Gen Wojciech Jaruzelski, the Polish leader, has appointed Mr Rakowski to head a commission to work out proposals for the country's future once martial law is ended. He is likely to urge the reformulation of the idea of a Front of National Understanding to include the Communist party, moderate leaders of Solidarity headed by Mr Lech Walesa, the Roman Catholic Church and other social groups.

In his last lengthy interview, Mr Rakowski said the party could not remain a "lonely traveller" across Poland. Poles must be convinced that the "direction is the right one. This means the era of giving commands is over, not only in economics but also in politics."

Why the Reagan sanctions are symbolic

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

THE BRIEFEST glance at East-West trade statistics reveals the essentially symbolic and political nature of the economic sanctions against the Soviet Union announced by President Reagan—and the vastly greater role played by Western Europe in bilateral trade and finance.

U.S. officials calculate that the latest sanctions will affect some $500m (£263m) of U.S. exports to the Soviet Union. Last year, and principally as a result of lower grain sales stemming from President Carter's post-Afghanistan invasion embargo, total U.S. exports to the *Soviet Union dropped by 58 per* cent to $1.5bn from $3.6bn in 1979. U.S. imports from the Soviet Union showed a similar drop to $453m from $874m.

The figures show that even before the latest sanctions, the level of trade between two of the world's largest economies was already at a level which reflected political inhibitions and rivalries.

They also show that Western *Europe is the key to East-West* trade—and to the success or failure of any future decisions on economic sanctions.

Last year, when U.S.-Soviet trade fell as a result of the Carter sanctions, exports of the EEC Seven (West Germany, France, Britain, Italy, the Netherlands, Belgium and Denmark) rose by 21 per cent to $10.54bn while imports rose even further by 32 per cent to $15.44bn.

Over 45 per cent of West Europe's exports to the Soviet Union are made up of engineering and manufactured products which provide employment for thousands of workers.

For a few industries, such as the Italian and West German steel pipe manufacturers and some manufacturers of chemical process plant, Soviet orders are possibly essential for survival in their present form.

That said, however, Soviet and other East European orders only form a small proportion of most companies' total order book, and East-West trade as a whole, including trade with Eastern Europe, forms only 4 per cent of average Western exports and 3 per cent of imports.

At a time of general recession no country would willingly lose *East European and Soviet* markets. But the figures show that these markets are more marginal to the West than to the East.

Some 30 per cent of Eastern Europe's import and export trade takes place with the West. *For the Soviet Union alone the* figure is even higher, with 38 per cent of its exports and 31 per cent of imports coming from the west in 1979, according to Economic Commission for Europe figures.

What is more, the bulk of Soviet exports to the West takes the form of oil and gas deliveries, which alone account for 60 per cent of Soviet hard currency earnings. In the current state of the international oil and gas market it would be easy for Western purchasers to buy from alternative suppliers. This may not be the case in the longer term, however—which is one of the European arguments for going ahead with the Europe-Siberia gas pipeline deal despite U.S. opposition.

West Germany is the Soviet Union's key partner in the *gas* pipeline deal. It is also the most important single Western trading partner in overall terms.

Last year, West German exports to the Soviet Union rose by 21 per cent to $4.37bn while imports stagnated — and fell sharply in real terms — to $3.97bn.

France, Italy and the UK come next, in order of importance. But they come a long way behind, with French exports only just over half the West German figure, although its imports from the Soviet Union doubled last year to $3.37bn, reflecting mainly higher oil purchases.

If U.S. trade looks small beside the European totals, it pales into virtual insignificance beside the $30bn which the Soviet Union spent on imports *from the non-Communist world* last year.

Thanks largely to the effectiveness with which U.S. trans*national corporations have* transferred technology to their subsidiaries and licensees there is also relatively little U.S. technology which the Soviet Union cannot obtain elsewhere.

Furthermore, most of that which is still exclusively of U.S. origin—mainly certain aspects of computer technology and oil and gas equipment—is in any case subject to export licences and the restrictions imposed by the Paris-based Cocom strategic export review committee.

Even before the present Polish crisis, Western Government leaders at the Ottowa summit in July committed themselves to a tightening of Cocom regulations in order to prevent the export of military-relevant *technology.*

The Cocom rules apply to all Nato members and Japan but the bulk of Soviet imports from the West consist of medium-range technology products.

TRADE WITH SOVIET UNION
1979-80
(figs. in $m)

	Exports 1979	Exports 1980	% change	Imports 1979	Imports 1980	% change
U.S.	3,607.2	1,513.2	−58	873.6	453.6	−48
EEC	8,706.0	10,537.2	+21	11,670.0	15,445.2	+32.3
West Germany	3,619.2	4,372.8	+20.8	3,892.8	3,976.8	+ 2.2
France	2,005.2	2,464.8	+22.9	1,790.4	3,565.2	+99.1
UK	889.2	1,059.6	+19.2	1,775.6	1,828.8	+ 4.2
Italy	1,218.0	1,275.6	+ 4.7	2,062.8	3,074.4	+49.0
Netherlands	304.1	508.8	+67.3	845.0	1,275.1	+50.9
Belgium	467.2	618.0	+32.3	592.4	1,103.6	+86.3
Denmark	103.6	96.7	− 6.7	439.0	421.2	− 4.0

Source: OECD

European doubts on pipeline contracts

By Our Foreign Staff

U.S. SANCTIONS against the delivery of equipment to the Soviet Union for use in the 5,500 km-long natural gas pipeline from Siberia to Western Europe, have thrown into doubt important contracts awarded by Moscow to European companies for equipment based on U.S. technology.

The most sensitive items are the gas turbines and compressors which are based largely on the licensed technology of General Electric, in the case of the turbines, and Dresser for the compressors.

The U.S. companies, however, were still unclear yesterday about the precise impact of President Reagan's statement. GE said it had received no *official word but, from its* inquiries, "it appears we are affected." The company added that it would comply with Government directives.

After prolonged negotiations, the Soviet Union chose U.S. technology and awarded general contracts worth around DM 4bn (£930m) for 41 compressor stations at the end of September.

Contracts for 47 gas turbines worth DM 700m were awarded to AEG-Telefunken of West Germany, for 21 turbines to John Brown of the UK, and for the balance to Nuovo Pignone in Italy.

The problem raised by Mr Reagan's action is that, as part of the turbines deals, GE actually has to supply some of the equipment, most importantly the turbine rotors. AEG said yesterday that it had still received no word from GE on whether the supply of turbine rotors would *now be stopped.*

It is not yet clear whether a U.S. embargo on parts supplies would still allow GE's *manufacturing associates in* Europe to obtain the rotors and other parts from elsewhere or whether GE could *change it licensing conditions* to allow local manufacturers of the rotors in Europe.

If the GE technology is blocked, *Moscow clearly could* find alternative equipment elsewhere, if necessary from within the Comecon countries. *President Reagan's action* could not stop the ambitious $15bn gas project, but the timing could be badly hit.

Creusot-Loire, the main French company affected by the embargo, said yesterday that it was unclear whether the veto *would apply to its products.*

Alsthom Atlantique, the heavy engineering group which is one of Creusot's main sub*contractors under the deal*, claimed it was unlikely to be affected.

The company also has a GE *licence to make rotors* for the gas turbines in the compressor stations. Alsthom argues that this is a manu*facturing licence* which allows it to produce and export the equipment from France without interference from the U.S.

The French companies are seeking clarification on two main points. First, they want to know whether Washington will be able to control export licences on material made outside the U.S.

They are also looking for a lead from the French Government, which remained resolutely silent yesterday.

John Brown Engineering of Clydebank said yesterday it was not altering existing production programmes.

The company said last night that it was concerned at the U.S. statement but added there were a number "of complex factors at play and it is far too early to draw any conclusions or still less to make any comment."

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WORLD TRADE NEWS

European airlines decide to halt ticket sales in Sudan

BY RICK WELLS IN KHARTOUM

EUROPEAN AIRLINES have halted ticket sales in Sudan after the failure of discussions with the Sudanese authorities over exchange rates. These followed the recent devaluation of the Sudanese pound.

The decision was taken on the recommendation of the *International* Air Transport Association.

Before the devaluation on November 9, fares were based on the official exchange rate of S£0.50 to the U.S. dollar. The official rate is now S£0.90 to the dollar and airline costs such as landing and handling charges *have virtually doubled.*

A directive from the Bank of Sudan on December 18 told airlines that fare levels would remain unchanged, that they must continue to trade at the S£0.50 rate and that the difference accrued through the increase from S£0.50 to S£0.90 would go to the Government in the form of an 80 per cent travel surcharge tax.

Airlines say that for years, fares from Khartoum have been unrealistically low because of the exchange rate and now they are even more so. They cannot continue to operate viably under these conditions.

An IATA delegation is to return to Khartoum on January 15 to negotiate the airlines' case *if a compromise is not reached.*

The related issue of the transfer of Sudanese pounds into hard currency has been a bone of contention for years.

An official for Swissair said that the company was allowed to remit around S£150,000 per month, but that over S£1m is in the *Bank of Sudan* awaiting to be transferred.

As airlines are not allowed to accept hard currency for tickets they have to resort to the free market for exchange at the current rate of S£1.2 to the dollar.

Another directive from the *Bank of Sudan* stipulates that all foreign businessmen or visitors are to pay hotel bills in foreign currency. This means that airlines have to import hard currency to pay their crews' bills.

Sudan debt Page 14

Egyptian contract possible for the Mirage 2000

BY DAVID WHITE IN PARIS

THE POSSIBILITY of an Egyptian contract for the Mirage 2000, the new generation of fighter being built for the French Air Force, is due to be discussed during a visit to Cairo by M Charles Hernu, the French Defence Minister.

The Egyptians, who in June ordered an additional 16 Mirage-5 tactical support aircraft from France, made clear at the time they were also interested in the Mirage-2000.

Despite lengthy discussions with India, no export contracts *for the Mirage-2000 have yet* been signed.

M Hernu, who left Paris for Cairo yesterday, confirmed that *arms sales* to Egypt would be discussed but said that any deal would have to be finalised at a different level. "The French and Egyptian Defence Ministers are neither sellers nor buyers of arms," he said.

He confirmed the possibility of a future contract but said it had still to be negotiated.

The new Mirage-5 contract, negotiated under the previous Government, was the first arms export deal to gain approval from the French Administration after President Mitterrand's election in May.

Egypt has in the past bought Mirage-3 and Mirage-5 aircraft, Gazelle helicopters and missiles from France and, more recently, signed a deal for 30 Franco-German Alpha-Jet fighter-trainers.

Dassault-Breguet, the manufacturer of the Mirage, said yesterday it was unable to com*ment on the prospect of a deal.*

Anthony McDermott adds from Cairo: There is little doubt that Egyptian military officials are keen to conclude an agreement with France as part of its overall defence strategy of diversifying and upgrading its sources of arms.

The Mirage 2000 would obviously be the core of such a deal. The cost of an overall agreement is being estimated in the semi-official Press at $2.4bn (£1.3bn).

Reliant in agreement with India

By Kenneth Gooding.

TWO VERSIONS of the glass-fibre car known in Britain as the Kitten are to be made in India as a result of an agreement between Reliant Motor of Tamworth, Staffordshire, and Sunrise Auto Industries of Bangalore.

The deal, which *initially covers* five years, has the approval of the Indian Government and provides for the import of *Reliant know-how for the* manufacture of glass-fibre mouldings, advice on plant layout and equipment, pur*chasing, tooling*, sales and service training, parts back-up and quality control.

Sunrise will manufacture the complete car, which will be known in India as the Dolphin.

India has a 100 per cent local content rule and the aim is for 90 per cent of the Dolphin to be Indian in origin within four years.

During the early period, Reliant will export mainly engines (its own alloy 848-cc unit) and gearboxes and later kits of these major items.

By 1984 Sunrise hopes to be building 3,600 Dolphins a year (in two-door saloon and three-door estate versions) with further increases planned.

Apart from a version of the Jeep, the only cars produced there are the Ambassador, a version of the Morris Oxford of 1954, and the Premier, an 1100-cc version of the Fiat 1100D of 1957.

Sunrise was set up, according to Reliant, in 1974 and began production in 1976. It makes a three-wheeler known as the Badal.

The agreement with Reliant offers Sunrise export rights to other markets in South-east Asia such as Bangladesh, Sri Lanka and Indonesia.

Good summer for Swiss

BY JOHN WICKS IN ZURICH

THE SWISS tourist industry this year had its best summer season since 1974, according to a Government report issued in Berne.

This is attributed to the overall high level of European tourism, the proximity of Switzerland to tourist sources and competitive prices combined with a high standard of service.

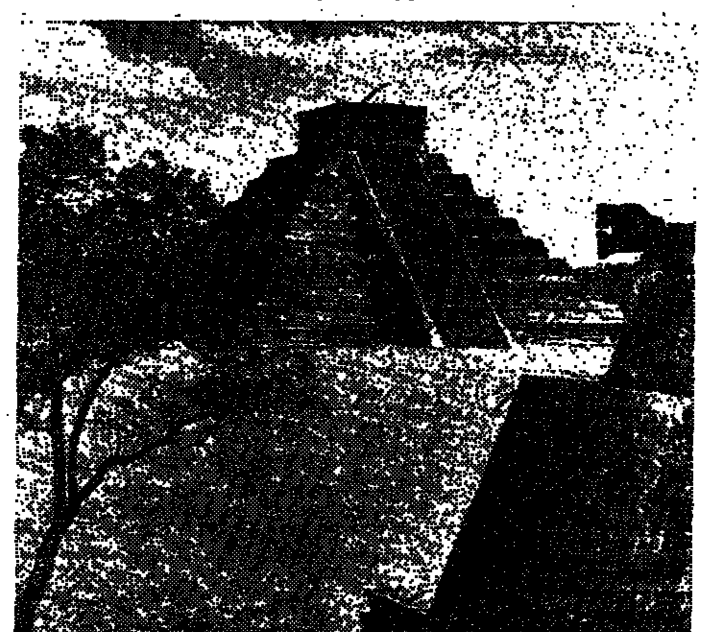
An overall 3 per cent rise to 20.8m hotel lodging nights resulted primarily from an increase of 4 per cent, to 12.61m nights, in foreign custom.

Switzerland became particularly popular again with the British, whose use of hotels jumped by 28 per cent in comparison with the *summer of* 1980. Overnights by Swiss residents rose by only 1.5 per cent but reached a record of 8.18m.

Only north-western and central Switzerland showed a loss of hotel clients compared with last year. The greatest increase was that of 11 per cent for hotels in the Lac Leman region.

Why the bubble has burst for Mexico's tourist industry

BY WILLIAM CHISLETT IN MEXICO CITY



Pyramid seen *from Temple of Jagu-Chichen, Itza.*

EVERY WEEKEND hundreds of thousands of Mexicans arrive in the U.S., *lured by the prospect* of cheap holidays and shopping. A de-luxe hotel is on average some $30 a night *cheaper, and electrical appliances* are up to half the cost.

For Mexico's increasingly affluent middle class, whose *standard of living has been* dramatically raised by the country's oil boom, the U.S. is a bargain.

Texan depratment stores frequently advertise in the Maxican Press. Mexicans arrive in the U.S. with empty suitcases *and wallets full of notes to buy* property. The Chamber of Commerce in San Antonio, Texas, recently reported a spate of such business transactions by Mexican oil workers.

Meanwhile, fewer tourists are visiting Mexico. Recession in the industrialised world has cut the standard of living of many holiday makers, and prices in Mexico, once a cheap country to visit, have skyrocketed in the inflationary oil boom.

Mexico's tourist industry, a crucial foreign exchange earner, is in the doldrums, with 1981 a bad year and 1982 promising to be no better.

The tourism slump could not have come at a worse time for Mexico, which is suffering serious balance of payments problems.

This year's current account deficit has shot up 63.6 per cent to almost $11bn, in spite of a 50 per cent increase in oil exports. The country's total foreign debt has risen sharply to almost $64bn, which puts Mexico in the Brazil league.

According to Banamex, the second largest commercial bank, 3.9m tourists visited Mexico this year, a drop of 4.5 per cent. On the other hand, the number of Mexican spending their holidays abroad, the vast majority in the U.S., rose by 20 per cent to 3.9m also.

But whereas the spending of foreign tourists in Mexico went up by a mere 4.7 per cent to $1.75m, Mexican expenditure abroad increased by a massive *42 per cent to almost $1.5bn.*

The net tourism balance for 1981, estimates Banamex, has plummeted 60.5 per cent to $260m.

The picture is just as bleak if short border crossings are included in the tourism account. Mexicans spent $4.15bn this year, 38 per cent more, visiting the U.S. on day trips, often just shopping sprees.

American citizens, however, only increased their expenditure, visiting popular border towns like Tijuana, south of *San Diego, California*, for a bullfight by 16 per cent to $4.32bn.

The overall balance on the tourism account, therefore, has dropped 65.8 *per cent to $430m*, says Banamex.

The tourism decline is giving rise to serious concern in Government circles because not only is the industry a significant revenue earner, but equally important it is very labour-intensive.

This is a vital factor since millions of Mexicans are still unemployed or underemployed.

The tourism sector contributes 3 per cent of GDP and employs about 650,000 people—six times as many as Pemex, the state oil monopoly—with many more in related services.

Tourism also creates about 60,000 new jobs a year, or more than 10 per cent of the 700,000 needed to meet the needs of the *country's exploding population.*

Lay-offs in the tourism sector have not been reported this year. However, it is *suspected* that hotels have run down their staff in depressed months.

Banamex reports that the average nationwide occupancy rate in *hotels* is down 10 per cent on last year and at the same time hundreds of new rooms are being built a month.

With Mexican inflation running almost 20 per cent ahead of the U.S. and a seriously over-valued peso, Mexico is losing its allure.

Banamex carried out a survey earlier this year in 13 Mexican resorts and 57 places in the U.S., and found that Mexican prices for a basket of tourist services (hotel, food and car rental) were 8 per cent higher than in the U.S.

Similar surveys carried out in 1977 and 1979 showed positive differentials in favour of Mexico of 45 and 28 per cent respectively. *This* represents a dramatic change in a short time.

Aware of the seriousness of the problem, the *Government* recently announced that a tourism bank, Bantur, would be formed to promote tourism investment, particularly in *hotels and restaurants* for lower income groups.

Steel imports rise to take 26% of U.S. market

BY IAN HARGREAVES IN NEW YORK

STEEL IMPORTS into the U.S. rose in November to take 26 per cent of the American market. Imports from the EEC again showed the most spectacular growth.

The Commerce Department reported that 1.92m tons of steel was imported in November, up from 1.87m tons in October.

Although this is quite a small increase, because the level of steel consumption is continuing to fall, the importers' market share rose from 22 per cent in October to 26 per cent.

The figures were immediately greeted by Mr William Delancey, chairman of Republic Steel and President of the American Iron and Steel Association, with the comment that it was now "difficult to see" why the U.S. steelmakers should not proceed with the anti-dumping suits they have been preparing for the past few months.

Mr Delancey claimed that EEC steel producers were ignoring the warning shots fired by the Commerce Department in its dumping citations on a small range of products.

It is still not clear, however, whether the industry will go ahead with its suits, having agreed with President Ronald Reagan a few weeks ago to hold back in the hope that the Commerce Department suits and a high-level political initiative would produce a less damaging accord.

EEC producers shipped 724,000 tons of steel in November, which is three times the level shipped in November 1980 and 25,000 more than was shipped in October.

It is probably still too soon to tell whether the latest spate of dumping actions and threats has had an impact on the level of European shipments, as the importers claim.

The order pipeline for European steel sold in the U.S. is about three months, so any reduction in activity would not show up until the December or January figures.

Meanwhile the sharp drop in the level of operations in the U.S. steel industry seems to have stabilised, although Americal mills are still operating at only 54 per cent of capacity and 85,000 steelworkers are either laid off or working short-time.

French said to intercept Canadian fishermen

By Victor Mackie in Ottawa

A FRENCH naval frigate has been intercepting Canadian fishermen in disputed waters near the French islands of St Pierre and Miquelon, the Fisheries Department of the Canadian Government claimed yesterday.

"Canadian fishermen have been instructed that they are not obliged to obey commands by French authorities in those waters," a department official said.

The French actions were apparently triggered when Canadian officials started issuing warnings a few weeks ago to St Pierre and Miquelon fishermen found in Canadian waters after the expiry of an interim arrangement between Canada and France.

The agreement had allowed the French to fish freely within 50 miles of the coast of their islands, located off Newfoundland's Burin Peninsula.

Mr E. B. Dunne, Newfoundland regional director for the fisheries department, has advised trawler captains to deny Fench authorities permission to board their ships if they are intercepted. They should also contact the department immediately for assistance from a Canadian fisheries patrol vessel.

So far, the French have contented themselves with delivering "stern warnings" and have shown no signs of force.

David Buchan examines the role of co-finance in Third World aid

World Bank seeks more partners

THE WORLD BANK is stepping up its search for partners, from among national aid or export credit agencies and particularly from the ranks of commercial banks, to join it in "co-financing" development projects in the Third World.

Aware that the World Bank's own resources are becoming increasingly strapped, Mr A. W. Clausen, the World Bank's new president, has declared that co-financing "must be the way of the future for the Washington-based international agency. He is particularly enthusiastic because of the chance it offers to involve the private sector in development.

The World Bank has recently circularised some 500 leading financial institutions on the merits of co-financing, held a Washington seminar earlier this month for U.S. bankers and is planning "road shows" in 1982 to try to whip up interest among potential co-lenders. Mr Clausen, who headed the Bank of America until mid-1981, is also trying to recruit more private bankers into the World Bank.

In the year ending June 1981, the World Bank managed to attract co-financing to the tune of \$4bn—made up of \$1.5bn, in World Bank funds, \$734m from export credit agencies and \$1.7bn from private banks.

This was in fact a big drop from \$6.5bn in 1979-80. But the annual figures are cyclical, often distorted by one or two big projects, and a better guide is the level of co-financed projects, running at about 70 with official aid agencies and around 20 a year with private banks.

But Mr Clausen's aides say they have a list of more than 100 projects "suitable for co-financing with private lenders" over the next 18 months. By "suitable" they mean projects in the higher-income developing countries which commercial bankers regard as a better risk.

"Before very long, a couple of years or so, we should be able to get up to 50 projects co-financed (with private bankers) a year," one World Bank official predicts.

But an array of problems need to be overcome if Mr Clausen's ambitious co-financing goals are to be fulfilled, and though the World Bank's new stress is on bringing in more private finance, there are difficulties even with official co-lenders.

World Bank officials say they intend to be more flexible in dealing with national aid agencies—letting them do more of the supervision, accepting more of their evaluation work on co-financed projects and allowing them to take more of the political kudos which national governments invariably want from their aid money.

"If you give the impression that there's only one way of doing such and such a project, and that's the World Bank way, then you evoke a bad reaction" from national agencies, a World Bank aide has admitted.

There should be a natural marriage between the World Bank, whose projects provide huge and regular procurement opportunities, and the export credit agencies of the industrialised countries. An element of export credit finance is also attractive to developing countries because of the subsidised low rate of interest on it, while once a private bank gets a credit guaranatee from its government its loan becomes a domestic risk—which generally looks better on its balance sheet.

Mr A. W. Clausen

Yet this is still a problem area in World Bank co-financing. The difficulty is that the World Bank wants to know at an early stage—well before submitting projects to its board for approval — what export credit financing might be available, while the national credit agencies are only interested in committing themselves at a much later stage.

There are some obvious and big pluses for private banks who join hands with the World Bank, which has an unmatched record of never having had a default in its history. Co-lending with the World Bank can assure private financiers that their money will be put to reasonably sound use, a matter of growing concern when countries like Poland (a new applicant for World Bank membership) pile up debt with nothing to show for it.

No private institution boasts the World Bank's huge array of economists and its wealth of information on country creditworthiness. Much of this is provided confidentially by Governments, but private banks can expect to get their hands on some of it during co-financing operations.

The World Bank refuses to commit itself to any mandatory cross default clause on a co-financed loan: which in effect would require it to call in its portion of a loan, should one of its co-lenders not be duly repaid.

Some commercial bankers complain this denies them due security but the World Bank scoffs that bankers are always looking for "belt and braces" insurance, and points out that it "would not stand aside" if one of its co-lenders hit trouble, and would use its good offices to put the trouble right. So far, there has been no default on a World Bank co-financed loan to provide a test case.

To make itself a more attractive suitor to commercial banks, the World Bank is trying to expand the range of terms on which it will co-finance. Clausen aides say that, at one end of the range, the World Bank might just perform the role of guarantor of the "end use" of a loan, without signing a specific co-financing agreement for a particular project.

Many Third World countries, World Bank officials admit, prefer to keep their dealings with the World Bank and private bankers quite separate. But the challenge for Mr Clausen and the World Bank is to convince borrowing countries that private co-financing is the only way they are going to maintain capital inflows these days.

Bolivia repeats pledge to sign pact with IMF

By Hugh O'Shaughnessy

THE BOLIVIAN Government of Gen Celso Torrelio has repeated earlier assurances that it will sign an agreement with the International Monetary Fund and announce new austerity measures next month. The assurances come as the country faces increasingly severe foreign exchange difficulties.

An agreement reached in principle with foreign commercial banks in April to reschedule \$450m (£230m) of short- and medium-term debt has been kept in abeyance pending the Government's signature of a deal with the IMF.

Bolivia is seeking a standby credit of \$220m. The current free market rate for the Bolivian peso is 38 to the dollar against an official rate of 25 to the dollar. The IMF is reported to be seeking a devaluation of the official rate.

Amid much union unrest, particularly in the tin mines which provide the country's staple export, the Government is maintaining tight security measures including a nightly curfew. Gen Torrelio, however, is maintaining its pledge to return the country to civilian rule in 1984.

The balance of payments deficit is estimated by the Central Bank to reach \$327m this year against \$67.5m in 1980.

Venezuela expects to sell 1.8m b/d of oil in 1982

BY KIM FUAD IN CARACAS

VENEZUELA, Opec's second largest oil exporter, expects to sell an average of almost 1.8m barrels a day of crude oil and refined products on world markets in 1982, Dr Humberto Calderon Berti, Energy Minister, said.

Dr Calderon Berti noted that while most members of the Organisation of Petroleum Exporting Countries had been forced sharply to reduce production in 1981, Venezuelan output levels were less than 100,000 b/d under planned levels of 2.2m b/d.

He attributed Venezuela's stable production and exports, allowing it to move up from sixth to second place among Opec's 13 members, to marketing strategy based on contractual rather than spot sales.

Venezuela's oil sales income in 1982 is expected to total \$19.6bn with the Government receiving \$14bn

The state oil industry's overall expenditures will be nearly \$7bn in 1982, including operating costs and new capital investments. Two-thirds of the \$2.7bn investment will be aimed at stemming an annual average decline in ageing fields of over 20 per cent.

Dr Calderon Berti added that Venezuela's main goals were to maintain an average production level of 2.2m b/d, while opening new areas for future production

China boosts oil to U.S.

LOS ANGELES — U.S. motorists have been paying about 5 cents a gallon less for petrol since April, partly because of growing imports from China, the Los Angeles Times reported yesterday.

The report quoted oil company officials and industry analysts saying that imports of regular leaded fuels from China had played a significant role in pushing down average national retail prices from \$1.37 a gallon in April to \$1.32 in December.

Independent U.S. petrol companies are China's major customers, buying 220m gallons or \$228.2m worth in 1981, according to the U.S. Commerce Department. Imports in 1979 amounted to \$21.6m.

AP

Brazil raises sales tax on luxury goods

RIO DE JANEIRO—President Joao Figueiredo of Brazil announced sales tax increases of up to 30 per cent on luxury goods yesterday to help overcome a deficit of \$1.5bn (£780m) in Brazil's state pension and health insurance scheme.

Gen Figueiredo also said contributions to the scheme by employers and employees would increase to 10 per cent and between 8.5 and 10 per cent respectively on January 1.

Reuter

Argentine military rule comes under fire

BY OUR LATIN AMERICA CORRESPONDENT

SHARP criticism of continuing military rule in Argentina has been voiced in Buenos Aires by Sr Carlos Contin, chairman of the powerful opposition Radical Civic Union. The criticism comes in the wake of the first policy statements by Gen Leopoldo Galtieri, the newly-installed president, and Dr Roberto Alemann, his Economy Minister.

Sr Contin claimed that a vast majority of Argentinians wanted an end to military government, which "was doomed to end in failure."

His Radical Civic Union is one of the principal forces in the six-party grouping which for many weeks has been calling for immediate general elections in Argentina, where the military has been ruling since 1976.

Press reaction to the news that Gen Galtieri would follow orthodox economic policies of austerity and cuts in public sector expenditure has, however, been cautiously favourable.

La Prensa, the conservative Buenos Aires daily, said that the first message of the new President gave the impression of "a salutary change." The English-language Buenos Aires Herald called the President's speech "very encouraging."

Dr Alemann's stated intention of cutting public spending and reining in the money supply is expected to push up interest rates appreciably in the short term.

It is also expected that the exchange rate of the peso, which dropped from around 2,000 to the dollar at the beginning of the year to around 11,000 earlier this month, will start to stabilise.

Chinese raise interest rates

PEKING — China's main domestic bank yesterday announced rises in interest rates and broader services to develop the country's banking system in line with the Government's economic reforms.

The People's Bank of China, the central bank, will raise interest rates on deposits and loans next April 1. Rates for Chinese savers will go up to between 5.8 and 7.9 per cent for one- to five-year deposits from between 5.4 and 6.8 per cent.

To compensate, the cost of loans to industry, commerce and agriculture, including those to individual peasants, will be increased, the New China News Agency said.

The increases were aimed at accumulating more funds and putting the money to more efficient use to help develop the national economy, the agency explained. The bank hoped to absorb the increased amount of cash circulating among enterprises and individuals in the last few years due to post-Mao economic reforms.

Bank loans to joint-venture companies set up with both domestic and foreign investment would in future be made at a higher interest rate than that charged to domestic commercial borrowers. But the bank added that pending a Government decision on the new joint-venture interest rates they would continue to be charged the same as domestic enterprises.

The bank would increase services available to its industrial clients by permitting them for the first time to hold fixed-term deposits like individual savers. It would also give them a wider choice of rates and start a new eight-year term deposit option.

The Chinese Government is trying to make greater use of economic levers such as taxation and interest rates as part of its plan to modernise the economy.

It has taken steps to restrict the wasteful Maoist system whereby factories turn over all their profits to the state and are allocated capital investment interest-free in return.

The new interest rates will also apply to overseas Chinese who save with the People's Bank.

Reuter

Iranian delegation due in Damascus for peace talks

BY PATRICK COCKBURN

AN IRANIAN delegation is expected to arrive in Damascus today as part of moves to end the 15-month Iran-Iraq war.

In another development Algeria is expected to join Syria and Kuwait in trying to start peace talks. The Algerians, who helped negotiate the release of the U.S. diplomats held hostage in Iran, have good relations with both sides in the war.

The initiative was started by Kuwait after a visit by Syria's President Hafez al-Assad last week. Syria is the Arab state with the best relations with Tehran and is strongly hostile to Iraq, while Kuwait has given loans in excess of \$4bn to the Iraqi Government.

Previous peace initiatives have foundered because Iran refuses to start talks until Iraq has withdrawn to its pre-war boundaries, while Iraq refuses to give up its claim to full sovereignty over the Shatt al-Arab waterway. Baghdad has been anxious to bring the war to an end since the end of last year, when Iraq's offensive failed to bring down Ayatollah Khomeini, but Iran has become increasingly confident that it has gained the upper hand.

Syria has called for greater Arab unity following Israel's annexation of the Golan Heights and an end to the Gulf war would remove a major source of division between Arab states. Kuwait has become increasingly worried by the effects on itself of the war going on just across its border. Last week Mr Mir Hossain Moussavi, the Iranian Prime Minister, gave a strong warning to Kuwait not to help Iraq.

Gulf states are also worried by the arrest of Islamic fundamentalists allegedly plotting revolution in Bahrain. This provoked Saudi Arabia to come out more openly in support of Iraq than ever before, though Riyadh is also anxious to bring the war to an end.

But current peace efforts may founder on the growing belief in Tehran and Iraq can be defeated on the battlefield. The war also helps the Iranian Government maintain national unity while trying to crush the Mujaheddin guerrilla movement.

Begin partner denounces Golan Heights legislation

BY OUR TEL AVIV CORRESPONDENT

ISRAEL'S ANNEXATION of the Golan Heights was attacked yesterday by a politically powerful rabbi who declared that "provoking the gentiles was not the Jewish way."

Rabbi Eliazer Shach of the Aguda Israel Party said Mr Menahem Begin, the Prime Minister, had been shortsighted in pushing through the legislation on the heights. Angering the U.S. could endanger American Jews, the Rabbi said.

Mr Begin's hold on power depends on the devoutly religious Aguda group. Without its four MPs in the Knesset the Begin coalition would lose its parliamentary majority of one.

When MPs voted on the Golan law two weeks ago the Aguda Israel Party drew Mr Begin's wrath by abstaining. Rabbi Shach explained yesterday: "The law may have benefited the state of Israel but it jeopardised the survival of the people of Israel."

He said Aguda believed that the existence of the people of Israel was not necessarily dependent on the existence of the Israeli state.

"Provoking the gentiles," he added, "is not the Jewish way. The old European Jew who danced to amuse the Polish tyrant knew who the gentile was, an evil man at heart. So the Jew danced and the Jew was right."

Further comment on the Golan law came yesterday from Senator Charles Percy, chairman of the U.S. Senate Foreign Relations Committee. After three days of talks with Israeli leaders he told reporters that Israel's special relationship with the U.S. "should not be put at risk by unilateral Israeli action.

Israeli officials said yesterday that Mr Alexander Haig, the U.S. Secretary of State, was planning to visit Israel next month.

● Israel's standard of living rose by 9 per cent this year and its external debts continued to climb, according to the Government Bureau of Statistics. But an official added that the inflation rate for the year looked like falling to 117 per cent compared with 131 per cent for 1980.

By-election victories for Mubarak

EGYPT'S small opposition Socialist Labour Party has failed to win any seats in the first by-elections to the People's Assembly since Mr Hosni Mubarak succeeded President Sadat in October. Results for the three seats involved were announced yesterday, Anthony McDermott writes from Cairo.

More important than the results was the fact that the ballots were deemed not to have been rigged in favour of the Government. This was the constant accusation in past elections. Mr Ibrahim Shukri, head of the SLP, said voting had been fair and the police well behaved. The elections had been "much better" than under Mr Sadat.

The ruling National Democratic Party won two seats and in the third no candidate won the required absolute majority and a new election will have to be held. The SLP has 12 seats in Parliament against the NDP's 300 in a total of 392.

Kathryn Davies, recently in Rangoon, examines performance and potential in Ne Win's Burma

Shiny escalators mark a change in 'the Burmese way'

SIX SHINY West German escalators will soon adorn a refurbished department store in Rangoon — one of Asia's more run-down capital cities. The agreement to purchase the escalators—Burma's first—may be an aberration on the part of a professedly Socialist Government which has, hitherto, deliberately ignored the materialistic aspirations of its 34m people.

The escalators will certainly come as a shock to Rangoon's 3m inhabitants, whose sole experience of sophisticated vertical transport is the creaking cage lift in the capital's colonial-style Strand Hotel.

But the fact that Burma is buying a strictly non-essential product from a private European company is a graphic illustration of the Government's apparent willingness to diverge, if only slightly, from "the Burmese way to Socialism" adopted by Ne Win, who seized power in a coup 19 years ago. Ne Win stepped down at 71 earlier this year in favour of his trusted lieutenant, U San Yu, who is 63, while remaining chairman of the State Council and retaining political control.

Ne Win had sealed off Burma from her neighbours India and Bangladesh to the West, China to the North and North-east, Thailand and Laos to the East and South. Far from fulfilling its possible function as a bridge between south and south-east Asia, Burma attempted to cut herself off politically, socially and economically, only re-emerging about nine years ago. In safeguarding Burmese culture and its traditional way of life, particularly adherence to Theravada Buddhism, the experiment met with considerable success.

But economically its consequences were disastrous. In the 1960s and 1970s rates of growth averaged between 2 and 3 per cent. In 1971 and 1972 the economy actually contracted. Both foreign investment (which was in any case unwanted) and domestic investment (mostly by Indian and Chinese businessmen) dried up. Exports nosedived and inflation soared to 30 per cent in some years. This, together with resentment at the government's authoritarian methods, fuelled widespread social unrest.

Ne Win later relaxed his ideology. Steps were taken to make state corporations function more efficiently. Multilateral and bilateral agreements with foreign Government and UN agencies sucked in some investment capital. Efforts were made to increase agricultural production and exports. The results, while not as spectacular as many in south-east Asia, have succeeded in turning the economy round.

In 1980-81 Burma chalked up an impressive 8.7 per cent growth rate — more or less in line with the economies of its non-Communist neighbours in the Association of South-East Asian Nations (ASEAN).

On the external economic front, Burma's visible trade deficit deteriorated slightly from \$248m in 1979-80 to \$257m, while the current account balance has improved from a deficit of \$16m in 1978-79 to a surplus of \$67m in 1979-80 and \$9m in 1980-81.

Burma is said to be rich in untapped strategic minerals and metals and could become a major supplier to the industrialised West. It is also an important exporter of rice, jute, wheat, maize and cotton.

Agriculture, especially rice, is crucial to Burma's overall export performance, accounting for 40 per cent of the country's total foreign exchange earnings in 1980-81. In the same year rice paddy production exceeded 13m tonnes, more than double pre-war production and 25 per cent higher than any other paddy crop in Burma's history.

Peasants have access to the parallel market for their rice but have benefitted directly from Government investment in the high variety yield rice

Ne Win: a relaxation of ideology

which is largely responsible for a 45 per cent increase in rice production in the past five years. Farmers have seen their incomes double or even triple as a result.

A potential source of trouble is the energy sector, where according to official statistics, crude oil production declined last year by 5 per cent to 10.35m barrels. The actual figure may be much less, because the statistics are based on well-head readouts which include water and gas in the mixture.

Burma refuses to import oil for ideological reasons and badly needs foreign investment for further exploration. The Government is currently offering 50 parcels for exploration in the Gulf of Martaban to energy hungry countries. Both France and Japan are reported to have expressed interest in supporting the activities there of the state oil company Myanma Oil.

In the short term it seems highly unlikely that Burma will agree to foreign equity in the country's development projects, and is unlikely to encourage joint ventures. However, the door is undoubtedly slightly more ajar than it was in 1974.

"So we've lived and learned," a former Burmese civil servant said.

For the ordinary Burmese, the fruits of their country's economic recovery seem unevenly spread between the capital and the countryside. Rangoon today looks as if it has not had a facelift since the British left in 1948. Urban Burmese live in conditions more reminiscent of the war-torn Asian cities of Indo-China than the western-style affluence—however superficial—of central Bangkok, Jakarta or Manila.

Despite Ne Win's disapproval black markets flourish openly in Rangoon and other towns. State-owned shops in the capital contain a dull range of goods produced by nationalised enterprises. Shortages of basic commodities through official channels are frequent. Most observers agree that an efficient black market is tolerated by the authorities because, without it, the economy would collapse.

Gold, timber, antiquities, gemstones—even elephants, and, according to rumour crocodiles—are smuggled across the border to Thailand, in return for textiles, light bulbs, batteries, radios, tools of all kinds and medicines.

Unlike the cumbersome Burmese bureacracy, black market entrepreneurs move with lightning speed. A Western diplomat records the visit of a bemused businessman on an exploratory visit to Rangoon. "He had spotted a particular kind of agricultural tool in short supply in Burma, lying in quantities outside a factory in Thailand. He acquired several of these and sold them to a local trader. In the time it took him (1½ days) to obtain a visa and to fly to Burma, the same trader had arranged for the sale of the tools across the Thai-Burmese border. When the businessman arrived in Rangoon he found his hoes on sale in the market there."

Saudi oil deal

Saudi Arabia has agreed to sell Pakistan light crude oil only following talks in Islamabad between Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, and his Pakistani counterpart, Mr Rao Farman Ali Said, our Energy Editor writes. Pakistan said yesterday that it had been trying for five years to obtain permission to lift only Saudi light crude.

Pakistan imports about 90 per cent of its crude oil needs of up to 100,000 barrels a day. The country is particularly dependent on kerosene and diesel oil — products most easily refined from light crudes.

Philippines deficit

The Philippines recorded an overall balance of payments deficit of \$560m for 1981, against a \$381m shortfall in 1980, Reuter reports from Manila. The inflation rate has fallen to 11 per cent this year from 18 per cent in 1980. Mr Jaime Laya, governor of the Central Bank, said the wider payments deficit reflected an increased trade deficit, although this was partially offset by increased foreign investment and current account receipts from services and other sources.

More pensioners enjoy winter sun

By Arthur Sandles

BRITISH pensioners are increasingly escaping the UK winter for the warmer climes of the Mediterranean basin. It is not only the sun that attracts them—a lower cost of living is also proving a lure.

A report on travel agents and overseas tour operators produced by researchers Key Note Publications says: "There is a growing trend for Britons to winter abroad."

"It seems that hoteliers around the Mediterranean in co-operation with British tour operators, are offering such attractive rates that those who can move abroad for milder winter temperatures and the comfort of hotel services are doing so in increasing numbers."

Activity

The report suggests that it is the retired who are going for these longer holidays. "Industry leader in holidays for senior citizens, Saga Holidays, reports considerable activity in wintering abroad in Spain and Yugoslavia.

"Specialist companies such as this can, of course, only benefit from the existing age structure of the population, and the improvement in recent years in private as well as public pension schemes."

Holidays aimed specifically at the retired market have long been very big business in the U.S. but have only recently developed to any great extent in Britain. Now several companies are competing with specialist Saga in this area.

Suffering

Some examples of what is on offer this winter include: an apartment in the Algarve for a month in February from £198 per person, including flight (Travel Club of Upminster); a month full board in a Benidorm hotel for around £200 (Thomson); and 28 days in Torremolinos in February for £284 (Saga).

The Key Note report is a little less enthusiastic about the shorter holiday winter sun market. This, it says, appears to be suffering in favour of ski holidays.

Travel Agents and Overseas Tour Operators. Key Note Publications, 23, City Road, London EC1 1AA. Price £25.

The problems of tightening up on 'country of origin' marking

Anthony Moreton on the legislation coming into effect tomorrow

ONE OF Cardiff's leading stores had a rack of women's quilted jackets made by Dannimac, a leading British company on display last week. The label indicated the materials used, largely synthetic fibres, and instructions on how to wash them.

From January 1 this label will be illegal because it contained no indication of where the garment was made. All new garments (which excludes those bought in by the shops in 1981) will now have to carry a label showing the country of origin.

The Trade Descriptions (Origin Marking) (*Miscellaneous Goods*) *Order 1981* relates largely to clothing and other textile goods, but it also covers domestic electrical appliances, footwear and cutlery. It will no longer be legal to mark a product Made in Birmingham without identifying which Birmingham; there are at least seven, five in the U.S.).

The problem over cutlery arose because a large number of blanks were being stamped out in places such as Taiwan and South Korea and shipped to this country where they were plated and sold as Sheffield plate. The British content was minimal.

In domestic appliances a wide range of goods is covered from television sets and cassette players to washing machines, dishwashers, vacuum cleaners, and sewing machines. Hair driers, electric shavers, food mixers, kettles, irons and electric blankets are also included.

The greatest impact will be felt in textiles, and clothing in particular, because of the vast turnover and the enormous amount of goods which enter Britain from more than 100 countries.

The legislation has not been totally welcomed in this country. There have also been some critics abroad, especially in the European Commission, which wants some harmonisation in origin marking.

One of the problems has been to distinguish a "British" product. A suit may comprise wool from Australia, New Zealand, Uruguay or South Africa, blended with a synthetic fibre produced almost anywhere, *part-made-up in Hong Kong*, Yugoslavia or Romania and finally put together in Britain. It is then right to label it "Made in the UK?" If not, what should the label say?

Section 12 of the Trades Description Act states that the country of origin shall be the place where the most substantial change in the making of the garment took place.

This definition is reasonably easy in the case of cutlery where the die-stamping of the blank is much more important than the plating. But it is less easy with clothing.

There are also some marks, such as the International Wool Secretariat's Woolmark, introduced in 1964, which indicate the quality of a product (100 per cent pure new wool) which are applicable internationally and therefore are not sufficient to meet the new standards.

The new system is intended to give a clear indication of where the goods come from in the hope that the buyer will buy British and preserve jobs in this country.

In some cases, clear labelling is a necessity because a generic name may give no indication of where the item came from. Most people probably think Shetland pullovers come from Shetland or Scotland at the very least. In *fact, almost half the Shetland* pullovers sold in this country come from Mauritius.

The EEC is not happy about the step which Britain is taking although there seems little that Brussels can do.

Dr Richard Lawson, a specialist in consumer affairs, said the EEC was concerned in case it appeared that by directing British buyers towards British-made goods, an invisible barrier towards imports — especially those from other members of the Community—was set up.

Brussels is planning to issue a directive on origin marking and feels that the British Government has jumped the gun. The EEC, however, is having a lot of problems in framing this directive and it may be a couple of years before it is published.

The EEC is only concerned with Britain, according to Dr Lawson. Both France and Ireland introduced forms of origin marking before the UK and these extend over a wide range of goods; and some other countries require it in varying degrees.

The Irish list 10 consumer sectors which have to be marked with their country of origin: carpets, ceramics, clothes, electric kettles, aluminium holloware, shoes, furniture, jewellery, lead-acid batteries and vitreous enamel ware.

The EEC does not appear to be too perturbed about Ireland because it is a small country. But the French case is more important because a wide range of foodstuffs, such as honey, margarine and jams is included as well as any import made to look like a French product.

If a cheese were sold, for instance, with the label prominently featuring a picture of Notre Dame, it would have to have its origin clearly indicated.

Other Community countries have looser regulations. The Italians have to show where their pianos or playing cards come from, and in Germany there is a requirement to state where the goods were made if certain German words are on the label.

Car traders want more by-passes

Financial Times Reporter

MOTOR manufacturers want the Government to speed up the programme for by-pass roads to make heavy lorries more acceptable.

Opponents of the Government's plan to raise lorry-weights by a quarter to 40 tonnes wanted to "civilise the lorry," according to the Society of Motor Manufacturers and Traders.

A society statement issued yesterday adds: "What is equally important is a civilisation programme for roads and by-passes." The Government should bring in regulations to allow maximum laden lorry-weights to be raised to 40 tonnes.

"The real answer to the plea for better living with the lorry lies in a better road-building programme to contribute to the separation of the lorry from our lives as much as possible."

The Government is to allow a period of consultation on its proposals for heavier lorries and further environmental safeguards to protect people from the worst effects.

In the meantime, four more by-pass schemes have been added to the Government's programme, largely because lower tender prices by contractors for existing roads have enabled it to enlarge its programme within this year's budget.

Directors urge personal tax cuts

BY JAMES McDONALD

THE INSTITUTE of Directors believes that personal tax cuts should take precedence over an immediate reduction in the National Insurance Surcharge (NIS) if there is to be a tax-cutting Budget next spring.

In an open letter to Conservative MPs, Mr Walter Goldsmith, director general of the institute, says his organisation agrees that there should be a reduction in NIS. But it objects to the Government "committing itself to an NIS reduction in March or April, which would make real personal tax cuts well nigh impossible" before the next general election.

On this point the institute seems to take issue with the views of the Confederation of British Industry which has been emphasising the importance of cutting the NIS.

To say that a cut in NIS is industry's first and unanimous priority "is not necessarily correct," writes Mr Goldsmith.

"Those who now publicly have declared themselves opposed to the re-indexation of personal tax thresholds or a reduction in the standard rate by 2p do no service to industry's cause.

"They decrease the possibility of this Government being re-elected in 1984."

Business organisations are non party-political says Mr Goldsmith. "But if the claim to be non party-political produces policy judgments which hamper the re-election of a Government which still offers the best policies for the free enterprise business sector, then those policy judgments are misguided and naive and should be rejected."

United States will take the largest share of BL's Jaguar car production

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEXT YEAR the U.S. will become the biggest market for Jaguar cars. The BL subsidiary expects to sell between 8,000 and 10,000 vehicles there in 1982.

This compares with predicted sales of 7,000 in the UK.

And if Jaguar hits the target it will have beaten its best performance in the States—the 7,384 cars sold in 1976.

Jaguar sold nearly 5,000 cars there in 1981. Their value was well in excess of £70m.

Mr Graham Whitehead, president of BL's American offshoot Jaguar Rover Triumph Inc, said improved productivity and the better quality of Jaguar cars from the plant at Browns Lane, Coventry, had been responsible for the upsurge in sales together with continuity of supply.

"This, together with the unabated demand for luxury cars in the U.S., makes us very confident about the future—as do Jaguar's plans for new models," he said.

Mr John Egan, chairman of the Jaguar company, pointed out that the withdrawal of the MG and Triumph sports cars from the U.S. market this year had left the group with just 200 dealers "dedicated to selling Jaguars and very good at it."

Jaguar was currently short of cars, although output had been pushed up from 250 to 450 a week during the past year.

Mr Egan hoped production would rise to a weekly 510 in January but any increase in output would have to be achieved without loss of quality or reduction in productivity so it would take time.

For this reason the re-launch of Jaguar cars on the Continent would not take place until about the middle of 1982.

'Triffid-like' growth in grumbling bureaucrats

By Our Consumer Affairs Correspondent

CONSUMERS have few real complaints about officials in either the private or public sectors, according to a new survey by the National Consumer Council.

But the survey, part of a report by the council on bureaucracies, shows that a minority of people do have problems with bureaucrats.

Mrs Joan Macintosh, vice-chairman of the council, says in a foreword to the report that "there is evidence that ill-temper and impatience are taking over, triffid-like, from good nature and competence."

She suggests that this is possibly a sign of the times as "overworked, understaffed official departments can easily slide into unpleasant, bureaucratic habits."

At the same time, "hard-pressed, worried consumers tend to be irritable and unreasonable."

Every official who behaves badly, argues Mrs Macintosh, "is a mole undermining a kindly society which can still be good to live in so long as we continue to laugh at the failings of bureaucracy, rather than imitate them."

In the survey, over a quarter of those interviewed who had contacted their local council about a planning or housing matter had experienced problems. Some 22 per cent of those in touch with the Inland Revenue had difficulty in understanding tax forms.

Societies agree about cheaper homes trend

BY WILLIAM COCHRANE

TWO OF the largest building societies today confirm the trend towards static or even lower house prices during 1981.

The Nationwide Building Society's latest bulletin shows that house prices are only one per cent higher than a year ago. The ratio between prices and average yearly earnings has fallen from 3.69 at the end of 1979 to 3.02—well below the long term average of 3.3, Nationwide says.

Meanwhile, the Leicester Building Society concentrates on inflation-adjusted figures. "House prices slumped by over 10 per cent in real terms and they will continue to edge downwards until the spring of 1982," the Leicester says.

Mr Chris Hardwick, Leicester's chief valuer, says: "market conditions remain clouded and it seems unlikely that there will be any material change during 1982."

The Nationwide confirms evidence that house prices declined in the second half of this year. "Prices fell on average by 2 per cent in the last quarter of 1981—a somewhat larger reduction than that experienced during the last quarter of 1980."

It adds: "With house prices now lower relative to incomes and with mortgages more readily available, it is felt unlikely that a further significant fall in prices will occur."

Fire damage up £17m

BY ERIC SHORT

SIX MAJOR fires last month, *including those at Bolton Town Hall and the BBC's television* transmitter on the Isle of Lewis in the Outer Hebrides, resulted in November fire damage costs jumping £17m to £42.8m.

This cost, according to the British Insurance Association, was the highest monthly figure since July of last year and abruptly reversed the declining trend in losses seen for most of the past 15 months. Last month's figure was nearly double that of November 1980.

The fire at the BBC transmitter, caused by lightning striking an incoming telephone line caused over £1.5m of damage and shut down BBC TV's service in Lewis for a week. The fire at Bolton Town Hall destroyed the public concert hall and caused £3m of damage. But the largest fire last month occurred at a warehouse in Louth, costing £3.6m.

However, fire damage in the first 11 months of this year amounting to £326.1m is over £100m below that for the corresponding period last year and, barring a disaster, damage in 1981 should be well below the record amount of £469.3m in 1980.

RUC considers case against IRA man

THE ROYAL ULSTER Constabulary says it is too early to say if cross-border leglislation will be used against the IRA man who defeated an attempt to extradite him from the United States, writes Brendan Keenan.

Mr Desmond Mackin, who is wanted in connection with the shooting of a soldier in Belfast in 1978, is expected in Dublin today after U.S. courts upheld a ruling that the offence was political in nature.

Recently two men were sentenced in Dublin on charges arising from their escape from Crumlin Road prison in Belfast. The case was exceptional, however, in that the prosecution evidence was overwhelming.

It is up to the Northern Ireland authorities to decide whether to launch a case against Mr Mackin, as the alleged offence was committed in their jurisdiction.

The problem with the existing legislation has been in securing convictions when the RUC cannot interview suspects beforehand. The Attorneys General of the UK and the Irish Republic are examining alternatives to the existing law.

In Northern Ireland solicitors have complained about conditions at a temporary remand court opened at the Maze Prison. One, Mr Pascal O'Hare, walked out during the first sitting, saying conditions were intolerable.

The court, which is housed in portable cabins, was opened because 230 remand prisoners had to be moved to the Maze after protesting Loyalist prisoners damaged Crumlin Road prison.

BA renews 'Snowflake' fares to Scandinavia

BY LYNTON McLAIN

BRITISH AIRWAYS has launched its cheap "Snowflake" air fares between Britain and Scandinavia for the second year running, subject to government approval.

The fares are available for the whole of the airline's route network to Scandinavia, with restrictions on flights and ticket conditions and for a limited period only.

The cheapest "Snowflake" return ticket will cost £70 from Heathrow and Gatwick airports, London, to Copenhagen. This compares with the ordinary advanced purchase excursion fare, the APEX fare, which costs £124.50 return.

The return fare to Stockholm will be £90. All other BA will be £80 return.

Passengers must book in January for travel between February 13 and April 17. Flights are available on Tuesdays, Wednesdays, Thursdays and Saturdays. Passengers must spend one Saturday night away and can stay up to one month.

Last year BA sold out its "Snowflake" tickets completely. A sell-out is expected again, Mr David Reynolds, general manager for ticket sales, said yesterday.

● SAS—Scandinavian Airlines has joined British Airways in the reduced price ticket scheme. The cheap fares are the same as those available from BA, they have the some restrictions.

Legal test for dons' job security rights

The first test case of academics' rights to job security until retirement is to be brought in the High Court by the Association of University Teachers on behalf of three lecturers at the London Institute of Orthopaedics.

The three have received redundancy notices from London University which, according to counsel's advice to the University Grants Committee, is one of 16 universities whose dons are entitled to life-tenure. Those at the other 28, including Oxford and Cambridge, are thought to be subject to normal dismissal.

The London redundancies seem to be the first imposed on academic staff.

BOND DRAWINGS

REPUBLIC OF AUSTRIA
6% Bonds 1979/84

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.$1,200,000 due 31st January, 1982 has been met by purchases in the market to the nominal value of U.S.$746,000 and by a drawing of Bonds to the nominal value of U.S.$454,000.

The distinctive numbers of the Bonds, drawn in the presence of Notary Public, are as follows:—

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11830 11831	11846 11847	11849	11853 to 11858	11860 to 11865
11886	11889 11890	11905 11906	11910 11911	11923 to 11930
11934 to 11937	11942 to 11948	11959 to 11961	11968 to 11970	11972 to 11975
11979 11980	12015	12017 12018	12022 to 12031	12073 to 12075
12084 12085	12090 12093	12096 to 12099	12106 12169	12192 to 12195
12197 to 12204	12206	12210 to 12212	12334	12337 to 12341
12348 to 12354	12452	12460 12461	12477 12478	12495 to 12497
12506 to 12508	12516	12520 12521	12525	12530 12531
12541 12542	12549 to 12570	12576	12583 to 12586	12590 12591
12594 12595	12600 12601	12605	12614 to 12617	12624 to 12648
12655 12661	12664 12665	12667 12668	12670 12672	12674
12677 12678	12680 to 12682	12690 12691	12695 12696	12699 12700
12703 12704	12707 to 12709	12711 to 12716	12719 to 12730	12739 to 12742
12744 to 12769	12779 to 12783	12790 to 12793	12798 12799	12804 12805
12826 to 12832	12850	12866 to 12870	12881 to 12883	12885
12887 to 12889	12891 12892	12895 12896	12900 12902	12905 to 12907
12909 12910	12918 12925	12928 to 12930	12932 12949	12954 12955
12961 to 12968	12971 to 12974	12976 12979	12982 to 12985	12989 12990
13003 13004	13023	13029 13030	13032	13042 13043
13049	13052 to 13054	13056	13060 13061	13064 13065
13068 to 13071	13077 to 13087	13090 13093	13095 13096	13102 to 13106
13116	13119 to 13140	13164 13166	13178 to 13188	13202 to 13204
13209 to 13216	13222 to 13225	13229 13235	13237	13244 13245
13258	13261 to 13263	13266	13268 to 13272	13274 13283

On 31st January, 1982 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London EC2P 2EB.,

or one of the other paying agents named on the Bonds.

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31st January, 1978

16742 17147 17148

31st January, 1979

01549 to 01552 02061 02062 02197 02769 to 02772

31st January, 1980

14775 14776	14966	14981 to 14983	15229 15339
15355 15366	15410 15559	15560 16116	

31st January, 1981

03025 03026	03224 03225	03354 03468	03471 03514
04154 04155	04200	04241 to 04245	04266 04271
04272 04512	04576	04776 to 04825	04833 04834
05106 05179	05239 05240	05594 to 05597	05891 05892
05920 to 05922	06240 06241		

30, Gresham Street, London, EC2P 2EB. 31st December, 1981

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WHITECHAPEL ART GALLERY, Whitechapel High St. 377 0107. Tube Aldgate East. To 24 Jan. BRITISH SCULPTURE IN THE TWENTIETH CENTURY, Part II 1951-80. Sun.-Fri. 11-6, cl. Sat. Adm. £1 (50p). Free Mon. 2-6.

COMPANY NOTICES

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO BEARER
PAYMENT OF COUPON NO. 68

With reference to the notice of declaration of dividend advertised in the Press on 18th December 1981, the following information is published for the guidance of holders of stock warrants to bearer.

The dividend of 3 cents per unit of stock was declared in South African currency. South African non-resident shareholders' tax at 0.45 cents per unit of stock will be deducted from the dividend payable in respect of all stock warrant coupons leaving a net dividend of 2.55 cents per unit of stock.

The dividend on bearer stock will be paid on or after 15th February 1982 against surrender of coupon No. 68 detached from the stock warrants to bearer as under:—

(a) At the office of the following continental paying agent
Credit du Nord,
6-8 Boulevard Haussmann,
75009 Paris.
In respect of coupons lodged at the office of the continental paying agent the dividend payment will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the continental paying agent. Instructions regarding disposal of the proceeds of the payment so made must be given to such authorised dealer by the continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated P.L.C., 40 Holborn Viaduct, London, EC1P 1AJ. Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa, payment will be made in United Kingdom currency either:
(i) in respect of coupons lodged prior to 8th February 1982 at the United Kingdom currency equivalent of the rand currency value of their dividend on 4th January 1982 or;
(ii) in respect of coupons lodged on or after 8th February 1982 at the prevailing rate of exchange on the day the proceeds are remitted, through an authorised dealer in exchange in Johannesburg to the London Bearer Reception Office.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 3 p.m.

United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue non-residence declaration forms. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 2.1 cents per share in terms of sub-paragraph (b) above arrived at as follows:

	South African Currency Cents per Unit of Stock
Amount of dividend declared	3.00
Less: South African Non-Resident Shareholders' tax at 15%	0.45
	2.55
Less: U.K. income tax at 15% of the gross amount of the dividend of 3 cents	0.45
	2.10

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
40 Holborn Viaduct,
London, EC1P 1AJ.
30th December, 1981.

Note:
The Company has been requested by the Commissioners of Inland Revenue to state:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15% instead of at the basic rate of 30% represents an allowance of credit at the rate of 15%.

LEGAL NOTICES

IN THE MATTER OF
ANNE GERRARD LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 15th January 1982, to send in their full names, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned
SALLY M. WRAY,
of 87/135 Brompton Road,
London SW1X 7XL,
the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 21st day of December 1981.

S. M. WRAY, Liquidator.

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION p.l.c.
14% Debenture Stock, 1993

Notice is hereby given that the REGISTERS of the CORPORATION'S above mentioned Debenture Stock will be CLOSED for TRANSFER and REGISTRATION from 18th to 29th January, 1982 both days inclusive.

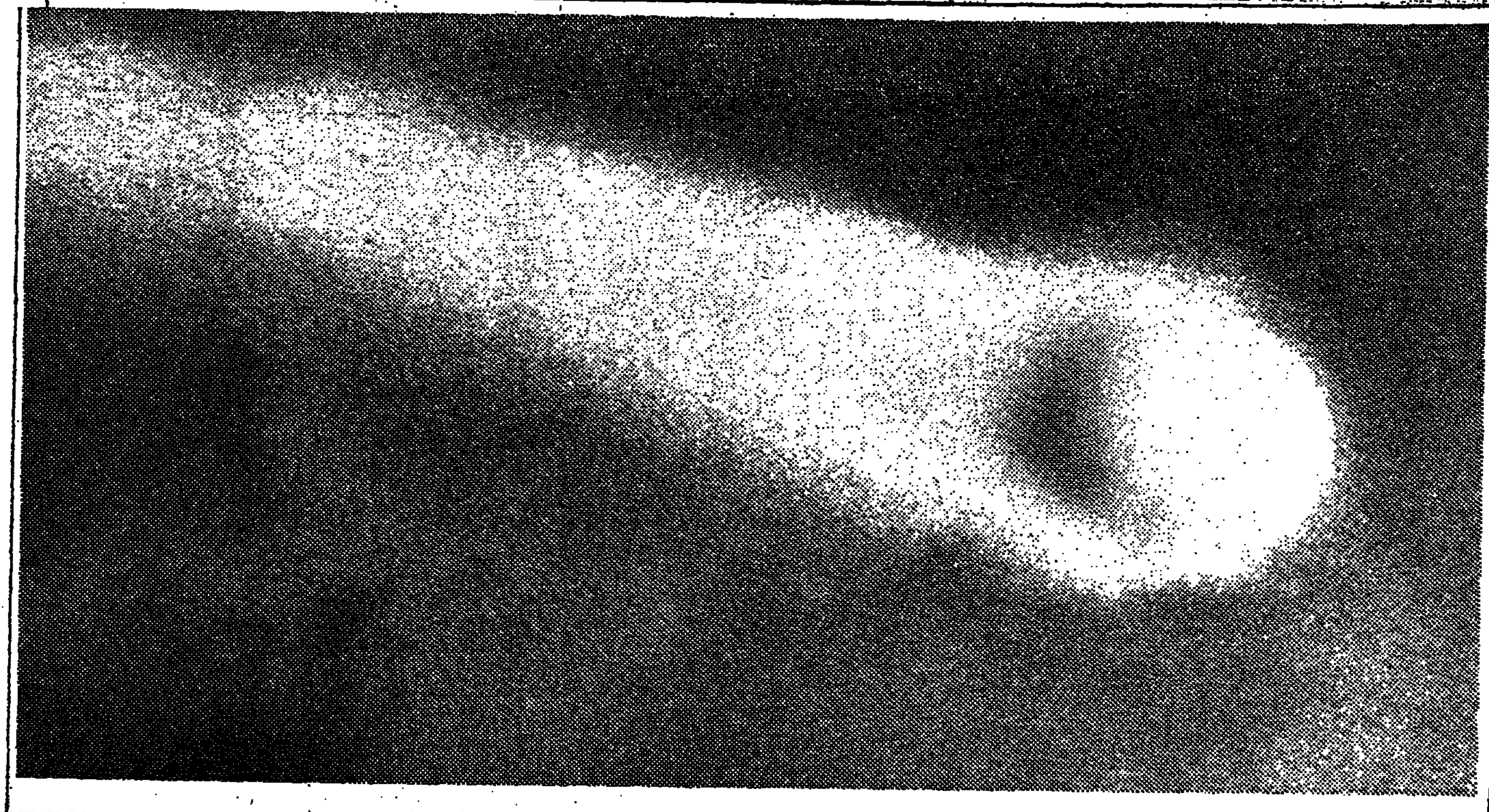
By Order of the Board
H. J. McTURK
Secretary

48 Palmerston Place
Edinburgh EH12 5BR
31st December, 1981

TNT OVERSEAS FINANCE N.V.

US$25,000,000 8½% CONVERTIBLE GUARANTEED SUBORDINATED BONDS 1990
NOTICE TO HOLDERS OF CONVERSION BONDS (DATED 11th DECEMBER, 1980) CONVERTIBLE INTO ORDINARY STOCK UNITS OF THOMAS NATIONWIDE TRANSPORT LIMITED

On behalf of Thomas Nationwide Transport Limited, Hambros Bank Limited hereby makes the following announcement: Bondholders will be able to convert into Ordinary Stock Units from 1st February, 1982, at a rate of A$3.01 per Ordinary Stock Unit. However, with effect from commencement of business on the 26th February, 1982, the conversion price in respect of each Ordinary Stock Unit, to which the above Bondholders are entitled to convert, will be altered from A$3.01 to A$2.56 as a result of the Rights Issue announced on the 21st September, 1981.



ITV to probe 'White Sphere' mystery

AFTER THE FRACAS on the M6 near Birmingham yesterday when the area was brought to a standstill by the appearance in the sky of a 'white sphere'. ITV is set to hold a major investigation into the phenomenon.

This has been called for by, amongst others, local dignitaries who are alarmed at the possible disruption that could come about from continuing uncertainty on the matter.

A point which was responded to by a spokesman from ITV: "People are demanding to know what is going on. A UFO, if that is what it is, is not an everyday sight. I believe we owe it to the public to give them the facts, as we see them."

He concluded with the assurance: "There have been attempts to dismiss the 'sphere' as a hoax in certain quarters, and we intend to keep the public fully informed at all times."

US Agent gets life sentence

A MAN recently sentenced by a New York court to 53 years in jail for gun running, is a former CIA agent.

He remains, for security reasons, un-named, but is said to be living in Beirut.

The film director Antony Thomas, is making a film of the man's life for transmission by ITV in the new year.

Small businesses denied opportunities

MR. THOMAS CRAIG of Craig City Partnership Ltd., said today that firms like his were kept out of major building works by larger contractors.

When it was put to Mr. Craig that this was perhaps a matter of sour grapes, he replied, "Where there's muck, there's brass."

Tenders from Craig City Partnership Ltd., for a new arts complex have been accepted by the local council but only for some of the smaller installations.

An enquiry into the matter will take place on January 12th and is expected to last six weeks.

MP asks about police taking 'sensitive' jobs

BY DUNCAN CAMPBELL-SMITH

MR WILLIAM WHITELAW, the Home Secretary, has been asked by a Social Democrat Member of Parliament to look into the situation of retired senior police officers who accept "potentially sensitive positions" in the private sector.

Mr Peter Neivens will be retiring this weekend as Deputy Assistant Commissioner at New Scotland Yard and has accepted an executive position with Trident Television to help to run the company's newly acquired Playboy casino organisation.

Mr Tom McNally, MP for Stockport South, stressed in a letter to the Home Secretary yesterday that he meant to cast no doubts upon the personal integrity of Mr Neivens. He suggested, however, that the public would welcome "some assurances that such prospects on retirement do not blur the relationship between public servants and private vested interests."

Mr Neivens, who is made an OBE in this morning's New Year's honours list, said he had accepted an offer from Trident only recently.

His decision had in no way affected his work at New Scotland Yard, where he is Director of Information, and he saw no conflict of interests arising in his new post.

"Anybody who knows of my career will know that I have always played it dead straight," said Mr Neivens.

Former colleagues of Mr Neivens will continue to serve in the Organised Crime Squad, which is responsible for policing the activities of the London gaming scene. Mr Neivens, however, has never himself worked with the squad and said he doubted if he would see much of them in the future.

"It will be my job to stop things going wrong in the first place," he said.

Trident Television is hoping that the prospect of a tightly run organisation will persuade the authorities to renew operating licences for its Playboy, Victoria and Clermont casinos. They remain threatened with closure as a result of past misdemeanours.

Mr Ward Thomas, chairman of Trident, confirmed that Mr Neivens had already reached retirement age before talks began about his appointment.

"Mr Neivens has not had direct contact with the casino sector," said Mr Thomas. "But we are bringing him in as a man who will say this is the law and we must stick to it — in spirit as well as letter, which is the important thing."

Joint film distributor planned

By Arthur Sandles

Walt Disney Productions and 20th Century Fox are to form a joint film distribution company for Britain called Consolidated Film Distributors. The new company, clearly formed as a result of the shrinking UK cinema market, should be in full operation within a year.

Both companies said last night that the move streamlined distribution

Director leaves

A joint managing director of Esperanza, the international services company, has resigned as a director from the board. Mr J. Bryan Robinson's resignation took effect on Christmas Eve. Mr Richard Nelson, the other joint managing director said yesterday that the resignation had been "very amicable."

Trading codes

Means of improving the system of voluntary codes of practice by traders were put forward yesterday by the Office of Fair Trading. Mr Gordon Borrie, director general of fair trading, said yesterday that his aim was to "strengthen the codes of practice of the arbitration system so that it will more effectively offer the essential ingredients of fairness, simplicity and speed at a minimum cost to all concerned."

Delays blamed on red tape

BY RAY DAFTER, ENERGY EDITOR

THE Federation of Petroleum Suppliers has written to the Prime Minister complaining that "red tape" by the Customs and Excise Department has contributed to delays in the winter deliveries of oil.

The federation, which represents about 500 local oil distributors, has called for a simplification of the tax rules which, during cold spells, allow transport operators to mix kerosene with their diesel fuel.

The kerosene is used to improve the flow of diesel fuel which, in very cold weather, becomes waxy. Without the kerosene, or special chemical additives, the diesel could make engine starting a problem.

According to the federation, diesel fuel—Derv—earns the Government about 70p a gallon more in tax than kerosene. The Government is anxious to ensure that hauliers do not use kerosene merely as a means of cutting tax costs.

So Customs and Excise insists that each transport operator should first obtain permission before mixing the fuels. Permission is given during cold spells to local authorities operating essential public services, gas and electricity service vehicles, buses and coaches, and vehicles delivering food, fuel and animal fodder.

Although permission had been given to transport operators, Customs and Excise had granted it "so grudgingly" that the benefits to hauliers were minimal, said the federation.

"The object of the relaxation is to ensure simplicity," said Customs and Excise. "At the same time we are maintaining control and the protection of revenue."

The federation said that companies suddenly confronted with bad weather should not have to seek and await Customs and Excise sanction before treating their fuel.

Mr Jim Rowson, executive secretary, commented yesterday: "We accept that tax must be paid on kerosene used in this way. At a time when weather and economic conditions are making life extremely difficult for hauliers and others, we do not accept that making life easier for civil servants should be the principal consideration."

Dover port enjoys record year

By Andrew Fisher, Shipping Correspondent

DOVER, Britain's busiest cross-Channel port, has had a record year in 1981, with passenger and car traffic up by over a tenth in the first 11 months.

With December still proving busy as people take advantage of cheap day offers by ferry companies, the number of passengers will exceed the 12m level compared with just over 11m in 1980.

In the period from January to November, they rose by just over 12 per cent to 11.9m, with the figure for accompanied vehicles up by more than 11 per cent to nearly 1.6m.

The bulk of the business is in the summer months, when there are as many as 110 daily sailings by ferry, jetfoil and hovercraft.

In the winter, this drops to about 70 a day. Leading ferry operators have just announced fare rises averaging 15 per cent across the Channel

November saw a sharp increase in both passenger and freight traffic. The number of passengers rose by 20 per cent to 575,500.

There was also a near 22 per cent increase in the amount of cargo handled, to 701,350 tonnes. But over the 11-month period, cargo traffic was flat at 6.3m tonnes.

Treasury set to review N. Sea taxation

BY RAY DAFTER, ENERGY EDITOR

TREASURY officials are about to wrestle with oil industry proposals for changes in the North Sea oil and gas taxation structure.

Although the Treasury has not set a formal time limit for submission of proposals, oil industry tax experts know that there is little time left to make an impact on the expected Budget announcement in the spring.

Companies are waiting to see if they will be called in to discuss the various proposals. It is understood that the Treasury has still to decide whether further consultations are necessary.

Three key proposals have been submitted. The UK Offshore Operators Association, representing the main North Sea companies, and the Association of British Independent Oil Exploration Companies have called on the Government to abolish supplementary petroleum duty and to make other changes

The Institute for Fiscal Studies has advocated restructuring the tax system to give a single petroleum profits tax. The institute says such a structure could be geared to provide a similar revenue to that envisaged at present.

ML Petroleum Services, run by Mr Martin Lovegrove, former manager of British National Oil Corporation's economic intelligence group, has called for radical changes based on the payment of royalties, corporation tax and a new petroleum tax.

The petroleum tax would be assessed on a field-by-field basis and charged on profits calculated after royalty payments, operating costs and depreciation.

Shipbuilders puts plan for better work practices to unions

BY JOHN LLOYD, LABOUR CORRESPONDENT

A DRAFT "shipbuilding charter," aimed at improving radically the strained industrial relations and work practices, has been presented to the unions by British Shipbuilders.

The draft sets out proposals on increased productivity, payments related to productivity and employment security criteria. On industrial relations, the draft is aimed at improving the procedures under which *references from* the shipyards are dealt with at national level.

It is likely to be considered by the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions next month, possible at a special meeting.

The way has been cleared for radical improvements in industrial relations by the settlement just before Christmas of the long-running dispute between BS and the unions, which had resulted in the unions breaking off national level contact with the corporation.

The shipyard at the core of the dispute, the Robb Caledon yard in Dundee, is to be bought by the neighbouring company of Kestrel Marine under a deal worked out with the Dundee Port Authority. The 84 workers who had occupied the yard since the middle of September are to be employed immediately by Kestrel, with a further 43 employed as soon as the company receives expected orders.

The unions were angered by the compulsory redundancies declared in the yard by BS. They also felt that BS had neglected to consult the unions on key issues over the past year.

Because of these wider considerations, opinions among the main unions on the negotiating committee are likely to be divided on how to respond to the corporation's draft proposals.

Some believe that their members would benefit financially from yard-by-yard negotiations, rather than the national level settlements which have been a feature since nationalisation.

However, some senior officials believe that the unions must take an active part in trying to improve the fractured relationships, and that the charter provides an opportunity to do so.

They believe that the main thrust of talks should be to make the existing procedures, which specify a wide degree of consultation, as well as three union nominees on the BS board, work properly.

The unions traditionally draw up their wage claim for their 70,000 members in January. It is expected that they will again decide to claim a substantial amount. Last year, the negotiating commitee accepted a 7.5 per cent wage increase.

Sogat threatens strike over tachograph

By Ivo Dawnay, Labour Staff

NEWSPAPER lorry drivers are threatening to strike from midnight tonight if national newspaper companies refuse to make extra payments for the introduction of the tachograph—the in-cab meter which measures drivers' mileage and hours of working.

Union officials representing 1,000 Society of Graphical and Allied Traders' drivers will meet the Newspaper Publishers' Association in London today at talks arranged by the Advisory, Conciliation and Arbitration Service.

Sogat has ordered its members not to operate any trucks weighing over 3.5 metric tonnes—the minimum tonnage required by the EEC to carry tachographs—if the newspaper companies fail to pay a compensatory fee. Newspapers using lighter vans—the Financial Times, the Guardian and the Daily Express—should not be affected.

The union claims that the tachographs will enable managements evaluate information for productivity improvements and to make savings on operating costs.

Mr Bill Keys, general secretary of Sogat, said last night that indefinite strike action would hit national newspaper distribution if the NPA failed to concede on the issue. "Unless there is £1 a night on the table for starters, there is no real point in going on," he said.

The NPA has resisted extra payments for the use of tachographs since talks with Sogat opened in April. The association has repeatedly pointed out that the introduction of the machines is a legal requirement and is not at their request.

But there were indications last night that the NPA may offer a small payment to avert strike action which would cripple national newspaper distribution. "Quite clearly if we are going to a conciliation meeting we must be prepared to make some movement," the NPA said.

A payment for the use of tachographs without additional improvements in productivity could set an unwelcome precedent for other road haulage users.

The Freight Transport Association said last night that it had strongly advised its 16,000 members not to agree to additional payments. "It would be quite unprecedented to pay to comply with the law," the association said.

The Transport and General Workers' Union has circulated its 220,000 lorry drivers with a model "terms of use" agreement to allow the smooth introduction of the machines, following a two-to-one vote against industrial action in December 1979.

Clearers likely to aim for single-figure pay deals

BY BRIAN GROOM, LABOUR STAFF

ENGLISH CLEARING bank chairmen are preparing to aim at a single-figure settlement for the second year running in pay negotiations for 180,000 clerical staff.

The chairmen of Barclays, National Westminster, Midland, Lloyds and Williams and Glyn's meet to decide on their view on the politically sensitive issue next Thursday. On the same day the banking unions will present the Federation of London Clearing Bank Employers with claims on behalf of staff in clerical grades one to four. The settlement date is April 1.

The Banking, Insurance and Finance Union (BIFU) and the Clearing Bank Union, its non-TUC rival, expect the banks to take a tough line. The chairmen are likely to want to settle at least below the rate of inflation. At least one clearer has made provision for a 7.5 per cent rise in its budget.

The banks will draw strength from this year's 10 per cent settlement. It was above their single-figure aim, but a couple of percentage points below the inflation rate.

They are aware that Bifu in particular faces tactical problems. It will not want to repeat this year's experience, when its campaign of industrial action collapsed after a ballot produced a slender majority in favour of accepting the offer.

This year's talks were conducted under pressure from the Prime Minister and the CBI for the banks not to reach high pay settlements which could have repercussions on deals in less profitable sectors.

There has not yet been any public pressure this time, but the banks continue to be aware of the sensitivity of this issue in their relations with industrial customers.

The two unions will present their claims separately next week. There is still no agreed national negotiating procedure with the federation, which will make its opening offer on January 28.

Highlands counts cost of Invergordon

Mark Meredith reports on official reaction to the smeleter closure in an area where major employers can be counted on the fingers of one hand

THE CLOSURE of British Aluminium's smelter at Invergordon tonight is a body blow to the Highlands of Scotland, where the number of major employers can be counted on the fingers of one hand.

Nearly 900 jobs have been lost and the total could reach 1,500, taking into account people whose livelihood has depended on the life of the smelter.

Mr Hamish Morrison, chief executive of the non-governmental Scottish Council (Development and Industry), likened the impact of the closure to "three or four Linwoods." Talbot closed its Linwood works earlier this year with the loss of 4,500 jobs but in a region—Strathclyde—with 13 times as many people and vastly more industry.

Alternative employment for most of the workers at Invergordon is virtually non-existent. The third industrial setback for the Highlands in the past 14 months has left local government officials embittered at seeing the region fall victim to decisions outside their control.

In November 1980 Wiggins Teape closed its pulp mill at Fort William with the loss of 450 jobs.

Then the Government decision not to back a gas gathering pipeline, which would have fed supplies to the Cromarty Firth around Invergordon, hurt long-term hopes for petrochemical development in the area.

Differing approaches have emerged as to means of cushioning the blow of the closure.

One approach from the Highland Regional Council has sought to revive the smelter, another from the Scottish Office has been to plan for the creation of new industry around Invergordon.

The Highlands and Islands Development Board has also pressed for the region around Invergordon to be upgraded into a special development area, and for the town itself to become an enterprise zone with maximum government aid available for incoming industry.

The Highland Regional Council and the Highlands and Islands Development Board met yesterday to map out strategy for a meeting next Tuesday with Mr Alex Fletcher the minister in charge of industry at the Scottish Office.

Regional officials felt there was still a future for the smelter if the problem of electricity rates, which had led to the closure of Invergordon, were corrected.

They proposed that the smelter be given free to a developer along with a new contract to supply electricity at special low rates in the short term, and with long-term prospects of a power station being built beside the smelter.

British Aluminium has small smelters which have been in operation since the 1920s and 1930s at Fort William and at Kinlochlaven, each with their own source of hydroelectric energy.

The Invergordon works, which supplies two-thirds of the Scottish output for British Aluminium, requires vastly more power, about 250 Mw.

According to regional officials the Scottish Office turned down proposals for a separate electric power station at Invergordon, when the plant was being constructed over 10 years ago, in favour of linking the smelter development with the Hunterston B nuclear power station in Ayrshire.

During that 10 years British Aluminium and the North of Scotland Hydroelectric Board fell out over the running costs of Hunterston B and the Government was forced to step in with subsidies when the power station could not meet the demands of the smelter and extra capacity was required.

The Scottish Office showed yesterday that it would treat Invergordon like other industrial disasters, with aid to encourage new industry rather than direct intervention to rescue ailing factories.

Mr George Younger, the Secretary of State for Scotland, and Mr Fletcher, who will meet Highland officials next week, may possibly consider setting up task forces, similar to those in the Glengarnock Valley in Glasgow, to improve the environment and set up facilities to encourage new industries.

The Scottish Office has pledged £10m over three years, to be administered by the Highlands and Islands Development Board, to help recovery in Invergordon.

The Government seemed to set little store by the prospect of selling off the smelter, although they asked British Aluminium to keep the plant in an operable state in case a buyer can be found.

The £10m grant to the HIDB in effect replaced another alternative, to upgrade the status of the Invergordon area to a special development area or enterprise zone with baxibum enterprise zone with maximum *grant availability*.

Government officials expressed some hope that there might be prospects for creating a North Sea oil service centre in this part of the Cromarty Firth.

November strike figures the worst since April

BY PHILIP BASSETT, LABOUR STAFF

THE NUMBER of working days lost through strikes rose sharply last month, according to provisional government figures.

The total of 519,000 days lost in November *is the highest since* April.

While this unexpectedly high figure has already pushed the year's total above the 4m mark, December's low returns are unlikely to alter, significantly, the overall comparison with 1980, when about 12m days were lost.

This means that nearly 8m fewer working days were lost through strikes this year when compared with last.

November's figure is the third-highest monthly total for the year.

Two BL disputes accounted for about 45 per cent of the time lost while two strikes in the aerospace industry coupled with the local authority manual workers' strike in Coventry accounted for a further 30 per cent.

The five strikes taken together represent about three-quarters of the time lost.

The monthly average of days lost through strikes now stands at 355,000.

The number of workers involved in stoppages also showed a sharp increase — from 42,000 in October to 126,000 in November. Most of this increase, however, is accounted for by the BL stoppage.

However, the number of stoppages — a considerably less reliable indicator of strike activity than the number of days lost — fell from 118 to 88.

Payments rise for unfair dismissals

By Our Labour Staff

INDUSTRIAL TRIBUNALS made a median award of £598 compensation for unfair dismissal in 1980, says a survey by the Department of Employment.

This compares with £401 for 1979 and £375 for 1978.

In 16.8 per cent of cases only the basic statutory minimum award was made, while the maximum award went to 0.4 per cent.

Applicants who agreed their cases at the level of conciliation by the Advisory, Conciliation and Arbitration Service tended to receive less, with more than two-thirds of settlements ranging from £50 to £499.

However, of the 35.1 per cent of all cases which proceed to a tribunal, 72.3 per cent of cases are dismissed by it.

Job prospects 'better' than last year

By James McDonald

MORE THAN a fifth of employers taking part in a survey forecast staff cuts in the next three months, according to Manpower, the temporary labour supply organisation.

But its quarterly survey, of 1,356 employers, suggests that job prospects for the first quarter of next year are less discouraging than they were for the same period a year ago.

Ten per cent of employers in the survey expect to increase their staffing levels during the quarter, compared with 6 per cent this time last year, while while 22 per cent forecast staff decreases, as against a 30 per cent forecast a year ago.

The survey finds job prospects in manufacturing industries depressed. The least encouraging industries for jobs remain heavy engineering and textile manufacturing. The most promising, relatively, are electrical engineering and some sectors of the vehicle manufacturing industry.

The Manpower Survey of Employment Prospects, First Quarter 1982, Manpower, National Westminster House, The Grove, Slough, Berks.

BASE LENDING RATES

A.B.N. Bank	14½%	Grindlays Bank	‡14½%
Allied Irish Bank	14½%	■ Guinness Mahon	14½%
American Express Bk.	14½%	■ Hambros Bank	14½%
Amro Bank	14½%	Heritable & Gen. Trust	14½%
Henry Ansbacher	14½%	■ Hill Samuel	§14½%
Arbuthnot Latham	14½%	C. Hoare & Co.	†14½%
Associates Cap. Corp.	15 %	Hongkong & Shanghai	14½%
Banco de Bilbao	14½%	Knowsley & Co. Ltd.	15 %
BCCI	14½%	Lloyds Bank	14½%
Bank Hapoalim BM	14½%	Mallinhall Limited	14½%
Bank of Cyprus	14½%	Edward Manson & Co.	15½%
Bank Street Sec. Ltd.	16 %	Midland Bank	14½%
Bank of N.S.W.	14½%	■ Samuel Montagu	14½%
Banque Belge Ltd.	14½%	■ Morgan Grenfell	14½%
Banque du Rhone et de la Tamise S.A.	15 %	National Westminster	14½%
Barclays Bank	14½%	Norwich General Trust	14½%
■ Beneficial Trust Ltd.	15½%	P. S. Refson & Co.	14½%
Bremar Holdings Ltd.	15½%	Roxburghe Guarantee	15 %
Bristol & West Invest.	16 %	E. S. Schwab	14½%
Brit. Bank of Mid. East	14½%	Slavenburg's Bank	14½%
■ Brown Shipley	15 %	Standard Chartered	‖14½%
Canada Perm't Trust	15 %	Trade Dev. Bank	14½%
Cavendish G'ty T'st Ltd.	15½%	Trustee Savings Bank	14½%
Cayzer Ltd.	15 %	TCB Ltd.	14½%
Cedar Holdings	15 %	United Bank of Kuwait	14½%
■ Charterhouse Japhet	15 %	Whiteaway Laidlaw	15 %
Choulartons	15½%	Williams & Glyn's	14½%
Citibank Savings	¶15 %	Wintrust Secs. Ltd.	14½%
Clydesdale Bank	14½%	Yorkshire Bank	14½%
C. E. Coates	15 %		
Consolidated Credits	15 %		
Co-operative Bank	*14½%		
Corinthian Secs.	14½		
The Cyprus Popular Bk.	14½%		
Duncan Lawrie	14½%		
Eagil Trust	14½%		
E.T. Trust	15 %		
First Nat. Fin. Corp.	17 %		
First Nat. Secs. Ltd.	17 %		
Robert Fraser	15 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 12.50%, 1-month 12.75%. Short term £8,000/12 months 15.10%.

† 7-day deposits on sums of £10,000 and under 12½%, up to £50,000 13%, and over £50,000 13½%.

‡ Call deposits £1,000 and over 12½%.

§ Demand deposits 12½%.

‖ 21-day deposits over £1,000 13½%.

¶ Mortgage base rate.

New Year Honours for politics and industry

Sir Murray MacLehose (Baron) | Timothy Raison (Privy Counsellor) | Sir Ian Bancroft (Baron) | Trevor Holdsworth (Knight) | Richard Ringwald (CBE) | Sir Charles Forte (Baron) | Lawrie Barratt (Knight) | James Cleminson (Knight) | Bob Scholey (CBE) | Anthony Fell (Knight)

PEOPLE IN politics, business and the Civil Service, as well as education, science and the arts, are among those recognised in the New Year Honours List. Personalities in the world of sport also receive awards.

Four knights are created Life Peers (Barons); two Privy Counsellors and one Companion of Honour are appointed; and 26 Knights Batchelor are named.

LIFE PEERS

BARONS

Sir Ian Bancroft, lately head of the home Civil Service.

Sir Nicholas Cayzer, chairman, British and Commonwealth Shipping Company.

Sir Charles Forte, executive chairman, Trusthouse Forte.

Sir Murray MacLehose, Governor and Commander-in-Chief, Hong Kong.

PRIVY COUNSELLORS

Mr Douglas R. Hurd, Minister of State, Foreign and Commonwealth Office; MP, Mid-Oxfordshire.

Mr Timothy H. F. Raison, Minister of State, Home Office; MP, Aylesbury.

COMPANION OF HONOUR

Dame Ninette de Valois, for services to the ballet.

KNIGHTS

Mr George Thomas Thalben-Ball, for services to music.

Mr Lawrence Arthur Barratt, chairman and managing director, Barratt Developments.

Mr James Arnold Stacey Cleminson, chairman, Reckitt and Colman.

Mr James Macdonald Cobban, for public service.

Mr Douglas Peter Crossman, for political and public service in Eastern England.

Mr Peter F. H. Emery, for political and public service; MP, Honiton.

Mr Anthony Fell, for political and public service; MP Yarmouth.

Mr Basil Mortimer Lindsay-Fynn, for political and public service in London.

Mr Victor H. Goodhew, for political and public service; MP, St Albans.

Mr Nicholas P. Goodison, chairman, The Stock Exchange.

Mr James Learmonth Gowans, secretary, Medical Research Council.

Mr John Currie Gunn, Cargill Professor of Natural Philosophy, University of Glasgow.

Professor Douglas Chalmers Hague, for political and public service; Professor of Managerial Economics, Manchester Business School.

Mr John Charles Hermon, Chief Constable, Royal Ulster Constabulary.

Mr G. Trevor Holdsworth, chairman, Guest Keen and Nettlefolds.

Mr Robert Yewdall Jennings, lately Whewell Professor of International Law, University of Cambridge.

Mr Jack Lewis, Professor of Inorganic Chemistry, University of Cambridge.

Mr Charles Ernest O'Halloran, convener, Strathclyde Regional Council.

Mr Evelyn Charles Sackville Russell, Chief Metropolitan Magistrate.

Mr Peter Saunders, for services to the theatre.

Mr Leonard Herbert Smith, for political and public service.

Dr Roy C. Strong, director, Victoria and Albert Museum.

Mr Adrian Christopher Swire, for services to the shipping industry.

Mr George Walter Roberts Terry, Chief Constable, Sussex Police.

Mr John Peter Mills Tizard, Professor of Paediatrics, University of Oxford.

Mr Alan Marshall Muir Wood, senior partner, Sir William Halcrow and Partners.

ORDER OF THE BATH

KCB

Mr William Ewart Bell, head of Northern Ireland Civil Service.

Mr Cecil Montacute Clothier, Parliamentary Commissioner for Administration, and Health Service Commissioner for England, Wales and Scotland (Ombudsman).

CB

Mr Alex. M. Bailey, deputy secretary, Cabinet Office.

Mr John B. Bailey, deputy Treasury solicitor, Office of Procurator General and Treasury Solicitor.

Mr Peter R. Barnes, deputy Director of Public Prosecutions.

Mr Kenneth P. Bloomfield, permanent secretary, Department of Commerce for Northern Ireland.

Mr Robert S. Boyd, solicitor, Board of Inland Revenue.

Mr John D. Bryars, deputy secretary, Ministry of Defence.

Mr John Delafons, deputy secretary, Department of the Environment.

Mr Gordon W. Fowler, under secretary, Home Office.

Mr Ronald Gausden, lately Chief Inspector of Nuclear Installations, Department of Employment.

Mr John E. Hansford, under secretary, Treasury.

Mr Henry Knorpel, solicitor, Department of Health and Social Security.

Mr John A. Marshall, deputy secretary, Northern Ireland Office.

Mr Wilfred Meakin, managing director, Royal Ordnance Factories, Ministry of Defence.

Mr Timothy E. Nodder, deputy secretary, Department of Health and Social Security.

Mr Douglas B. Smith, deputy secretary, Department of Employment.

Mr Edward J. G. Smith, deputy secretary, Ministry of Agriculture, Fisheries and Food.

Mr Walter P. Smith, director-general, Ordnance Survey.

Mr Derek J. Wakefield, Foreign and Commonwealth Office.

Mr Ernest J. D. Warne, deputy director-general, Office of Fair Trading.

ORDER OF ST MICHAEL AND ST GEORGE

CMG

Mr Patrick C. Duff, assistant secretary, Overseas Development Administration.

Mr John K. L. Thompson, counsellor (science and technology), UK Embassy, Washington.

ROYAL VICTORIAN ORDER

KCVO

Mr William Frederick Payne Heseltine, the Queen's deputy private secretary since 1977 and her Press secretary between 1968-72.

Captain Miles Buckley Wingate, Deputy Master of Trinity House.

MVO

Supt Paul Nicholas Officer, Metropolitan Police. Royal bodyguard who saved Prince Charles's life in knife attack.

Lt Cdr Philip Anthony Shaw, Royal Navy, Culdrose, Prince Andrew's helicopter instructor.

ORDER OF THE BRITISH EMPIRE

DBE

Miss Elisabeth J. Frink, sculptor.

Miss Catherine M. Hall, general secretary, Royal College of Nursing.

Miss Ida F. A. Yonge, for political service.

KBE

Reverend William Owen Chadwick, Regius Professor of Modern History, University of Cambridge, President of the British Academy.

Mr Thomas Galloway Dunlop Galbraith, for political and public service, MP Hillhead.

CBE

Mr J. Arbuckle, chairman of Board of Governors, Scottish Crop Research Institute.

Mr D. G. Avery, deputy managing director, British Nuclear Fuels.

Mr E. J. Bennett, lately deputy director, Scottish Courts Administration.

Mr R. J. Bleasdale, director of Estates and Environment, Scottish Development Agency.

Mr T. R. V. Bolland, chairman, Kent Area Health Authority.

Mr P. N. Brook, lately principal, College of Estate Management, Reading.

Mr D. J. B. Brown, managing director, DJB Engineering; for services to export.

Mr J. Brown, lately chairman of engineering board, Science and Engineering Research Council.

Mr P. D. Carter, managing director, Littlewoods Organisation.

Mr L. J. J. Clark, for services to conservation.

Mr B. Cohen, Nuffield Professor of Dental Science, Royal College of Surgeons of England.

Mr R. Colegate, group director, economic services, Civil Aviation Authority.

Mr R. Conrad, lately member, Medical Research Council Applied Psychology Unit.

Mr I. D. Coutts, chairman, finance committee, Association of County Councils.

Mr O. J. Cox, architect, Shankland Cox Partnership.

Mr Meredith Davies, for services to music.

Mr H. E. de Wardener, Professor of Medicine, Charing Cross Hospital Medical School, University of London.

Mr D. R. Donaldson, lately chairman, Baltic Exchange.

Sir William S. Dugdale, chairman, Severn Trent Water Authority.

Mr M. Elliott, deputy director and head of insecticides and fungicides department, Rothamsted Experimental Station, Harpenden.

Mr F. R. Gibb, joint managing director, Taylor Woodrow Construction.

Professor F. J. Gillingham, president, Royal College of Surgeons of Edinburgh.

Mr J. M. Wallace-Hadrill, Chichele Professor of Modern History, University of Oxford.

Mr A. Harbinson, chairman, Northern Ireland Staffs Council for the Health and Social Services.

Mr F. K. Harrison, secretary, Royal Institute of British Architects.

Professor S. W. Hawking, for services to astronomical research.

Mr J. C. Houston, Dean of the Medical and Dental Schools, Guy's Hospital.

Mr P. A. B. Hughes, chairman, Logica Holdings, for services to export.

Mr I. S. Irwin, deputy chairman and managing director, Scottish Transport Group.

Mr L. C. Kemp, chairman, Construction Industry Training Board.

Mr T. S. Kilpatrick, chairman, Foundries Economic Development Committee.

Mr A. M. Legge, lately editor, Farmers' Weekly.

Mr B. C. Lindley, director of Technology, Dunlop.

Mr R. C. Livesey, director and secretary, National Ports Council.

Professor C. R. Lowe, chairman, Industrial Injuries Advisory Council.

Mr G. D. Macaulay, director-general of Printing, Stationery Office.

Mr E. W. McDwell, chairman, Industries Development Advisory Committee, Northern Ireland.

Mr J. S. Maclure, editor, The Times Educational Supplement.

Mr J. Manduell, principal, Royal Northern College of Music.

Mr G. V. Marsh, for services to golf.

Mr R. W. Marsh, for services to cricket.

Miss M. J. Marshall, lately chief Inspector of Schools, department of Education and Science.

Captain P. F. Mason, elder brother and board member, Trinity House.

Mr Charles R. O. Medley, painter and theatrical designer.

Mr D. G. Milne, lately chief executive, BP Oil.

Mr Thomas Morgan, Lord Provost of the City of Edinburgh.

Mr P. F. Orchard, chief executive, the De La Rue Company, for services to export.

Mr I. M. S. Park, lately president, Law Society of Scotland.

Mr F. D. Penny, managing director, Yarrow and Company.

Mr W. H. Ponsford, for services to cricket.

Mr A. W. Pragnell, deputy director-general, Independent Broadcasting Authority.

Mr H. Purcell, chairman, West Mercia Police Authority.

Mr R. M. Ringwald, chairman, Laporte Industries (Holdings).

Mr A. Robertson, main board director, Imperial Chemical Industries.

Mr A. J. Ross, author, publisher and journalist.

Mr T. Rutherford, chairman, North Eastern Electricity Board, and member, Electricity Council.

Professor W. L. Saunders, director, department of information studies, University of Sheffield.

Mr R. (Bob) Scholey, chief operating officer and deputy chairman, British Steel Corporation.

Mrs P. D. M. Batty Shaw, lately national chairman, National Federation of Women's Institutes.

Mr F. E. Showering, chairman, SVPW division, Allied-Lyons.

Mr J. W. Smith, chairman, Liverpool Football Club.

Mr W. N. Squire, director, Dowty Group, and managing director, Dowty Aerospace and Defence Division; for services to export.

Mr B. A. Stapleton, deputy chairman, Navy, Army and Air Force Institutes.

Mr E. K. Taylor, pianist.

Mr W. L. Taylor, lately chairman, Scottish Housing Association.

Mr B. M. W. Trapnell, headmaster, Oundle School, Northamptonshire.

Mr J. R. Watts, principal actuary, Government Actuary's Department.

Mr I. R. Yates, director of engineering and project assessment, aircraft group headquarters British Aerospace, for services to export.

OBE

Mr J. R. Bache, director of technical services, IBM UK.

Mr W. B. (Bill) Beaumont, for services to Rugby football.

Mr R. G. Bedford, science editor, Daily Mirror.

Mr J. W. Brewster, managing director, Gee and Webb.

Mr G. C. Briggs, sales director, Marconi Instruments; for services to export.

Mr H. Faulkner-Brown, architect, Faulkner-Brown, Hendy, Watkinson, Stonor.

Mr W. B. Campbell, director, Cameron Iron Works.

Mr J. D. Chittock, film and television writer, director and producer.

Mr R. L. Clarke, general secretary, British Boxing Board of Control.

Mr A. K. Coleman, managing director, Re-Chem International.

Mr A. F. D. Crawley, director of development, Northern Ireland Housing Executive.

Mrs K. Dancy, deputy chairman, Bracknell Development Corporation.

Mr H. M. Darwell, managing director, I. M. I. Summerfield for services to export.

Mr Ken Dodd, entertainer and for charitable services.

Mr D. F. H. Frost, chief executive, Intermediate Technology Development Group.

Mr W. E. Grant, chairman, Kirton Experimental Horticulture Station Advisory Committee.

Mr D. H. Griffiths, regional chairman, Eastern Region British Gas Corporation.

Mr D. C. Hall, chairman Hall Automation.

Mr J. A. D. Harrison, chairman, James Johnston and Company of Elgin.

Mr C. E. Hart, senior verderer, Forest of Dean.

Miss Gertrude Hermes, sculptor and wood engraver.

Mr Max Jaffa, violinist, for services to music.

Mr T. Johnston, managing director, Barr and Stroud.

Major A. K. Crisp-Jones, chairman and managing director A. Edward Jones.

Mr I. M. Kelsall, regional director, Confederation of British Industry, South Wales.

Mr W. L. D. McCue, singer.

Mr R. Massarella, for services to show jumping.

Mr R. Maybourn, general manager, BP Shipping.

Professor W. H. Mellers, for services to music.

Mr L. C. Merryweather, deputy managing director, Sealink UK.

Mr Peter C. Neivens, deputy assistant commissioner, Metropolitan Police, who is to become an executive director of the Playboy organisation.

Mr K. Padden, senior purchasing director, Fine Fare.

Mr E. Percival, executive chairman, P & O European Transport Services.

Mr G. L. B. Pitt, head of legal services, The Building Societies Association.

Mr A. Poliakoff, president, Multitone Electronics; for services to export.

Mr R. J. Raff, financial director, Dynamics Group, British Aerospace, for services to export.

Mr F. M. Rainey, chairman and managing director, Denroy Group.

Mr W. A. Ridley, actor and writer.

Mr A. G. Shaw, deputy director and secretary, Association of the British Pharmaceutical Industry.

Mr D. T. Shore, managing director, The APV Company.

Mr R. Sidaway, chairman, Ductile Steels.

Mr G. V. Smith, director, London Tourist Board, and London Convention Bureau.

Miss J. B. Adam Smith, writer.

Mr H. Sulzbach, for services to Anglo-German relations.

Mr S. R. Tanner, director of new business and advanced development division, Racal-Decca Marine Radar.

Mr R. J. Taylor, managing director, Quantel, for services to export.

Mr G. H. Thompson, for services to the film industry.

Mr R. Walker, chairman and managing director, Rotary Electrical Company.

Mr G. W. Ward, executive director, James Neill Holdings; for services to export.

Mr G. A. Webster, for services to archaeology.

Mr B. P. J. Wex, partner, Freeman, Fox and Partners.

Mr J. K. Williams, painter.

Mr Martin Francis Wood, chairman, Oxford Instruments; for services to export.

MBE

Mr J. F. H. Aspinwall, engineering manager, Rediffusion Radio Systems.

Mr P. D. Avis, manager, planning and methods, Tileman and Company.

Mr D. E. Bird, field service manager, Compair Industrial, for services to export.

Mr S. H. Boddington, for services to brass band music.

Miss Elizabeth Camden, senior nursing officer, Royal Liverpool Hospital, on duty during Toxteth riots.

Mr J. Campbell, chairman, Lossiemouth and Lochinver Branch, Scottish White Fish Producers' Association.

Mrs S. E. Carvell, director, Association of Building Component Manufacturers.

Mr E. J. Chiverton, senior industrial relations adviser, employee relations department, Esso Refinery, Fawley.

Mr Sebastian Coe, for services to athletics.

Mr Neil C. Coles, for services to golf.

Miss E. A. Cowe, air stewardess, Dan-Air Services on aircraft that crashed in Shetlands.

Mr W. A. Dale, senior small industries organiser, Leicestershire, CoSIRA.

Mr G. Daniels, horologist.

Mr A. L. deMuynck, engineering manager, communication and control division, Philips Business Systems Group.

Mr A. E. Donald, senior consultant, Ernest A. Notcutt and Company.

Mr A. S. F. Etherington, project manager (London), British Rail Property Board.

Mr H. L. Ford, managing director, PIM Board Company.

Mr F. Forrest, manager, progeny testing centre, Milk Marketing Board.

Mr G. F. Goddard, for services to cricket in Scotland.

Mrs A. J. Gough, private secretary, British Leyland.

Mr A. J. Harrison, director, manufacturing services for Marconi Avionics.

Mrs J. Haslam, chairman, Hampstead Old People's Housing Trust.

Mr G. Hay, for services to architectural restoration in Scotland.

Mr J. L. M. Hole, assistant director, British Health-Care Export Council; for services to export.

Mr L. J. Hughes, director, Hughes Audio Vision.

Mr G. S. T. Hurry, general manager, South West Durham Engineering Training Association.

Mr W. A. Ismay, for services to the study of ceramics.

Mr W. Jackson, works manager, Stocksbridge Works, British Steel Corporation.

Mr C. J. Jeffries, for services to the St Paul's Cathedral Trust.

Mr T. G. Keeling, director and general manager, Bevan Simpson Foundry.

Mr S. Leek, engineering manager, ASRAAM Hatfield Division, Dynamics Group, British Aerospace.

Mr D. A. Le Sage, director, Elder Park Housing Association, Glasgow.

Mr J. J. Lewis, deputy director (Mining), North East Leicestershire Prospect, National Coal Board.

Mr R. K. Lyons, sales director, Moygashel.

Mr A. G. McCalla, design manager, naval projects Vickers Engineering Equipment Group, Vickers Fluid Power.

Lieutenant-Colonel W. M. Mackay, adjutant, Royal Hospital, Chelsea.

Captain P. F. Manisty, chairman, Association of Railway Preservation Societies.

Mr E. W. Marriott, chief development engineer, Bentley Textile Machinery (Loughborough).

Mr M. Mayer, management accountant, Vinten Group.

Mr J. Melling, principal engineer, joint land reclamation team, Greater Manchester Council.

Mr S. W. Milne, works director, Parsons Peebles Power Transformers.

Mr J. V. Milton, managing director, E Standing, Harrogate.

Mr A. L. Morgan, chairman, Lincolnshire Agricultural Wages Committee.

Mr R. Murray, works manager, fibres division, Teesside Works, Imperial Chemical Industries.

Mr Steve Ovett, for services to athletics.

Mr E. R. Peacock, chief construction engineer, Simon-Rosedowns, for services to export.

Mrs Nora Perry, for services to badminton.

Mr J. H. Poulten, chairman and managing director, John Poulten, for services to export.

Mr R. S. Rennie, chairman and managing director, Store Design Dunfermline.

Mr E. J. Richardson, regional export representative, IMI Yorkshire Imperial for services to exports.

Mr R. G. Rowe, manager, Brake Materials Facility, Dunlop Aviation.

Mr J. F. Sate, executive officer, National Maritime Institute.

Mrs Margaret Savage, night sister, Princes Park Hospital, Liverpool, on duty during Toxteth riots.

Mr H. W. Scott, chairman, Orkney Islands Shipping Company.

Mr L. J. H. Slack, technical director, English Abrasives.

Captain J. H. Dalrymple-Smith, Captain, Northolt Airport, Peregrine Air Services for rescue attempt at Dan Air aircraft crash Shetlands.

Mr J. R. Spence, group controller, Inverness Group, United Kingdom Warning and Monitoring Organisation.

Mr R. J. Spencer, manager, quality control and division chief inspector, Rolls-Royce Motors.

Mr J. Sullivan, commercial manager, Viper engine division, Rolls-Royce; for services to export.

Mr J. R. Sutcliffe, advanced systems group manager, Simulators, Trainers and ATE division, Marconi Space and Defence Systems.

Mr John Toshack, manager, Swansea City Association Football Club.

Mr Fred Wade, adviser, OK Motor Services.

Mr Eddie Waring, for services to Rugby League football.

Mr S. V. Wildman, turbine technical manager, APE-Allen.

Mr K. Williamson, export sales executive, British Aerospace Dynamics Group; for services to export.

Mr R. G. D. (Bob) Willis, for services to cricket.

Mr D. E. E. Withers, site manager, Walter Llewellyn and Sons.

Mr B. A. M. Wright, secretary, Weed Research Organisation, Yarnton, Oxford.

Nicholas Goodison (Knight)

TELEVISION

BBC 1

9.20 am Gymnast. 9.45 The Perishers. 9.50 Jackanory. 10.05 The Perils of Penelope Pitstop. 10.25 Why Don't You . . . ? 10.50 Play Chess. 11.00 Mary Chipperfield's Wildest School on Earth. 11.30 King of the Rocket Men. 11.40 The Hardy Boys and Nancy Drew Mysteries. 12.30 pm News After Noon. 12.45 King Rollo. 12.50 Stop—Go! 1.00 Holiday Double Bill: "Saddle the Wind," starring Robert Taylor and Julie London. 2.20 "The Outriders," starring Joel McCrea. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Mighty Mouse. 4.25 Jackanory. 4.35 Charlie Brown. 5.00 Blue Peter Review of the Year. 5.35 Ivor the Engine.

5.40 News.
5.50 Regional variations.
6.00 Top of the Pops.
6.35 The Dick Emery Christmas Show.
7.25 "Elvis—the Movie," starring Kurt Russell as Elvis Presley.
10.10 News.
10.20 Pick of 81. What do you remember of the past 12 months?
11.20 81 Take 2. A massive clearance of sketches, one-liners, songs, monologues.
11.55 Across the Years. The traditional celebrations in Trafalgar Square, and Big Ben welcomes 1982.
12.05 am Hi There 82!

Chris Dunkley: Tonight's Choice

The only programme I can honestly recommend today is transmitted on ITV at 4.15 and it's a repeat: **Bud 'n' Ches**, a fond tribute to Flanagan and Allen. I could not believe before its first screening that, after years of specialising in characters who are either drippy or stupid or both, Bernie Winters could possibly manage a convincing impersonation of Flanagan, even if Leslie Crowther seemed a reasonable choice for Allen. I was utterly wrong: both actors give performances which are uncannily (if not consistently) accurate as well as moving. And with an unusually varied collection of production tricks, several highly original, Jon Scoffield keeps the look of the thing perpetually changing.

All other programmes need treating very gingerly because television executives are apparently convinced that the only material for New Year's Eve is ghastly old Scottish tat: programmes marked by cyclamate-sweet sentimentality, awful amateurism, and the tediously aggressive nationalism in small matters (flora, fauna, odd clothing) which so often characterises small insecure nations. BBC-2 is the safest place: **Hinge And Bracket's New Year's Eve Party** includes music from the non-Scotch Ivor Novello and Gilbert and Sullivan, and **The Prisoner Of Second Avenue** puts Jack Lemmon into one of Neil Simon's better screenplays.

BBC 2

11.00 am Play School.
12.30 pm Racing.
2.45 Bugs Bunny.
†2.50 Harold Lloyd in "Speedy."
4.00 Holiday Musical: "The Pirate," starring Gene Kelly and Judy Garland.
5.40 All Creatures Great and Small.
6.35 Cowboy's Flute.
6.55 News Summary.
7.00 From Magna Carta to Microchips.
8.00 Peter Ustinov and Natalie Wood at the Hermitage.
9.30 Hinge and Bracket's New Year's Eve Party.
10.20 Jack Lemmon in: "The Prisoner of Second Avenue."
11.55 Late News.
12.05-1.40 am Pick of the Year.

LONDON

9.30 am Rocket Robin Hood. 9.50 Asian Insights. 10.15 Young Ramsay. 11.05 Welcome Back, Kotter. 11.30 Valentine's Day. 12.00 Little Blue. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 The Flintstones Meet Rockula and Frankenstone. 2.20 "The First Men in the Moon," starring Edward Judd, Lionel Jeffries and Martha Hyer. 4.15 Bud 'n' Ches

5.45 News.
6.00 Thames News
6.35 Crossroads.
7.00 Give Us a Clue:
7.30 "Carry On Laughing." Classic comedy moments from the famous film series.
8.00 London Night Out: Tom O'Connor introduces Frankie Vaughan, Stephanie Lawrence, Stu Francis, Suzanne and Fudi, and The Geoff Richer Dancers.
9.00 "Desperate Voyage," starring Christopher Plummer.
10.00 News.
10.15 "Desperate Voyage" (continued).
11.00 This Is Your Life Special with Eamonn Andrews.
11.45 The Hogmany Show.
12.30 am Close: "Sit Up and Listen," with Pamela Stephenson.

† Indicates programme in black and white

All IBA Regions as London except at the following times:

ATV

9.40 am The Lost Islands. 10.05 USSR Gymnastics. 11.00 Sesame Street. 12.30 pm A New Kind of Family. 1.20 ATV News. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today.

ANGLIA

9.30 am Sesame Street. 10.15 How Beautiful is Panama. 10.30 Friends of My Friends. 10.55 Joe 90. 11.20 Past Masters. 11.45 Cartoon Time. 1.20 pm Anglia News. 6.00 About Anglia. 12.30 am New Year Message.

BORDER

9.35 am Bailey's Bird. 10.00 Film: "David Copperfield." 11.55 The Undersea Adventures of Captain Nemo. 1.20 pm Border News. 6.00 Lookaround Thursday.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 6.00 Channel Report followed by What's On Where. 12.00 The Two of Us.

GRAMPIAN

9.25 am First Thing. 9.45 "Wombling Free," starring David Tomlinson and Frances de la Tour. 11.00 Sesame Street. 1.20 pm North News. 6.00 North Tonight. 6.30 Police News. 11.45 Reflections. 11.50 Welcome to the Hogmanay Ceilidh.

GRANADA

9.30 am Alice in Wonderland. 10.15 How Beautiful is Panama. 10.25 "Captain America." 1.20 pm Granada Reports. 6.00 Granada Reports. 6.05 Kick Off.

HTV

9.45 am Sesame Street. 10.45 The World We Live In. 11.10 Mork and Mindy. 1.20 pm HTV News. 6.00 Report West.

HTV CYMRU/WALES—As HTV WEST except: 12.00 Poli A Pili. 12.05-12.10 pm Calimero. 6.00 Y Dydd. 6.15-6.35 Report Wales.

SCOTTISH

9.30 am Pine Tree. 9.55 Disney Classic. 10.05 City Out of Time. 10.35 Champions on Ice. 11.05 Doug Henning's World of Magic. 1.20 pm Scottish News Headlines and Road and Weather Report. 6.00 Scotland Today. 6.20 Bodyline. 12.30 am Late Call.

SOUTHERN

9.30 am Lost Islands. 9.55 "Africa—Texas Style!" starring Hugh O'Brian. 11.30 Out of Town. 1.20 pm Southern News. 2.20 The Last Houseparty. 2.45 Bud 'n' Ches. 4.15 How the Hedgehog Grew Larger. 4.40 The Flying Kiwi. 5.05 Disney Cartoons. 5.20 Crossroads. 6.00 Day by Yesterday. 11.45 And It's Goodbye From Us . . .

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.30 The Ravenswood Experience. 10.00 Morning Movie: "Knights of the Round Table." 11.50 European Folk Tales. 1.20 pm North East News and Lookaround. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 12.20 am A Message for the New Year.

ULSTER

1.20 pm Lunchtime News. 4.13 Ulster News. 6.00 Ulster News. 6.05 Here's Boomer. 10.14 Ulster Weather.

WESTWARD

9.40 am Larry the Lamb in Toytown. 9.50 Hands. 10.15 Thunderbirds. 11.05 Paint Along with Nancy. 11.30 Target the Impossible. 11.55 Wattoo Wattoo. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 12.00 The Two of Us. 12.30 am Postscript. 12.35 South West Weather, Shipping Forecast.

YORKSHIRE

9.30 am Sally and Jake. †9.40 Laurel and Hardy in: "Navy Gravy." 10.00 "David Copperfield," starring Sir Ralph Richardson, Wendy Hiller, Michael Redgrave and Susan Hampshire. 11.55 Wattoo Wattoo. 1.20 pm Calendar News. 6.00 Calendar (Emley Moor and Belmont editions).

RADIO

(S) Stereophonic broadcast
‡ Medium Wave only

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 8.00 Paul Gambaccini with an appreciation of Elvis Presley. 8.00 David Jensen. 10.00-2.00 am Adrian Juste's Disco Show (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 John Dunn (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 David Symonds with Much More Music (S). 8.00 Country Greats in Concert (S). 10.07 Andy Stewart introduces the Radio 2 Ballroom. 11.00 New Year's Eve Special from London and Edinburgh, including 12.00 Big Ben. 2.05-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composer: Elgar (S). 10.00 Hodie Salvator Apparuit (S). 11.05 Harpsichord Music (S). 11.40 Viola and Piano, recital (S). 12.20 pm Leipzig Gewandhaus Orchestra, concert, part 1 (S). 1.00 News. 1.05 Concert, part 2 (S). 2.05 Bizet, piano duet recital (S). 2.30 Georg Philipp Telemann (S). 4.15 Ravel (S). 4.55 News. 5.00 Webern, Reger, Schoenberg (S). 6.15 The Gentlemen of the Chapel Royal (S). 7.00 Mozart (S). 7.30 "The Constant Couple," by George Farquhar, adapted and directed by Raymond Raikes including 8.15-8.30 Interval. 9.20 BBC Scottish Symphony Orchestra (S). 10.20 A Spiteful Fellow (short story). 10.45 Elisabeth Schumann, song recital. 11.00 Oscar Peterson, concert by the jazz pianist, recorded at the 1979 Cheltenham Festival of Music (S). 11.55 News. 12.00 Big Ben: Welcome to the New Year. 12.05-12.15 am Charles Draper (clarinet).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.45 The Giant Under the Snow, by John Gordon. 9.00 News. 9.05 Out of its Depth? 9.30 The Living World. 10.00 News. 10.02 Christmas in Nepal. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within (S). 12.00 News. 12.02 pm You and Yours. 12.27 Never Too Late (S). 12.55 Weather, programme news. 1.00 The World at One. 1.35 Party Political Broadcast by the Liberal Party. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour 1981. 3.00 News. 3.02 Afternoon Theatre. 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 It Makes Me Laugh. 6.55 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 All on a Summer's Day (S). 8.00 A Year of Sport. 8.45 It Can't Get Any Worse Can It? 9.59 Weather. 10.00 The World Tonight, including Financial Report. 10.30 With Great Pleasure (S). 11.15 Year Ending (S). 12.00 Big Ben and Meditation for the New Year.

TELEVISION

BBC 1

9.30 am The Flumps. 9.45 The Perishers. 9.50 Jackanory. 10.05 The Perils of Penelope Pitstop. 10.25 Why Don't You . . . ? 10.50 Play Chess! 11.00 Gibson and the Red Arrows. 11.30 King of the Rocket Men. 11.40 The Hardy Boys and Nancy Drew Mysteries. 12.28 pm Weatherman.

12.30 Grandstand: Racing from Cheltenham: (12.35, 1.10, 1.45, 2.20); Ski Jumping: (12.55, 1.30, 2.40); Basketball from Crystal Palace: (2.05, 2.40). 3.35 "National Velvet," starring Elizabeth Taylor and Mickey Rooney.
5.35 News.
5.45 Regional variations.
5.55 The Superteams.
6.55 Doddy! starring Ken Dodd.
7.35 "2001: A Space Odyssey," starring Keir Dullea.
9.50 Wedding Day.
10.55 News.
11.05 La Belle Isobel: A look at soprano Isobel Buchanan's struggle for recognition at the age of 27.
11.55 The Late Film: "Up Pompeii," starring Frankie Howerd.

Chris Dunkley: Friday's Choice

First a plea to anyone who has not seen **2001: A Space Odyssey** and who might one day be able to see it in a cinema, not to watch it tonight on BBC-1. It is not merely the screen size that you will lack, but the cinema sound system. Some movies lose nothing on television, but this is cinema sui generis. **Touch Wood** on BBC-2 is being publicised with one statistic which is so outrageous that one will simply have to watch the programme: students who go to John Makepeace's school for cabinet makers in Dorset spend £10,000 on two years' fees. Princess Margaret's son is one student, but who on earth are the others?

On ITV the treat of the evening should be the first in a new series called **Wood And Walters** featuring Victoria Wood and Julie Walters. Victoria Wood won plaudits and prizes with her first stage play, and she and Julie Walters were first seen nationally as Maureen and Julie in the Sheffield Crucible's "Talent" where they proved to be a unique double act. That's followed by ITN's long review of the major news events of the year just gone, **The Making Of 81**.

BBC 2

11.00 am Play School.
12.30 pm Holiday Musical: "Anchors Aweigh," starring Frank Sinatra, Gene Kelly.
2.45 The Cinema of Andrzej Wajda.
3.40 Uppies and Doonies.
4.15 Something Else—Just the Music.
5.05 The Glorious Effect.
5.55 From Magna Carta to Microchips.
6.55 News Summary.
7.00 One Hundred Great Paintings.
7.10 Hold Down a Chord.
7.25 In the Country.
7.55 Touch Wood.
9.00 Calendar.
9.50 News On 2.
10.00 Cleo Laine and James Galway.
10.55 "Man of Marble" (Polish film with English subtitles).

LONDON

9.30 am A Handful of Songs. 9.40 Once Upon A Time. 9.55 "Digby—The Biggest Dog in the World," starring Jim Dale, Spike Milligan. 11.30 New Year Clapperboard. 12.15 pm Razzmatazz. 12.45 News. 12.50 "Spartacus," starring Kirk Douglas, Laurence Olivier and Jean Simmons. 4.15 Doug Henning's World of Magic.

5.15 Bruce Forsyth's Play Your Cards Right.
5.45 News.
6.00 "The Golden Voyage of Sinbad," starring John Phillip Law, Caroline Munro and Tom Baker.
8.00 The Talking Whale.
9.00 The Gentle Touch.
10.00 News.
10.15 Wood and Walters, starring Victoria Wood and Julie Walters.
10.45 "The Making of 81," presented by Martyn Lewis.
12.00 Paris by Night.
12.30 am Close: Personal Choice with Pamela Stephenson.

† Indicates programme in black and white

All IBA Regions as London except at the following times:

ANGLIA

12.00 Midnight Marie Gordon Price in Concert. 12.30 am Birgitta and Swante.

CENTRAL

9.25 am Welcome to Central. 6.00 pm Central News. 7.00 Hart to Hart.

CHANNEL

12.50 pm Abba: Words and Music. 1.20 The Puppy Who Wanted a Boy. 1.50 Feature Film: "That's Entertainment." 6.00 Diff'rent Strokes. 6.30 Mork and Mindy. 7.30 Private Benjamin.

GRAMPIAN

9.10 am First Thing. 9.15 Good News for Ne'er Day. 12.50 pm Off to Sunny Spain. 1.50 The Hogmanay Show—Salute the New Year in traditional Scottish fashion. 2.35 Feature Film: "Demetrius and the Gladiators," starring Victor Mature, Susan Hayward, Michael Rennie and Anne Bancroft. 8.00 Thingummyjig.

GRANADA

12.00 Midnight "Sceptre."

HTV

As London except: HTV CYMRU/WALES: 9.30-9.40 am Ffalabalam — Entertainment in Welsh for younger viewers.

SCOTTISH

†10.00 am Laurel and Hardy in "Flying Elephants." 10.20 "Early to Bed." 10.40 Diff'rent Strokes. 11.05 Clapperboard. 11.45 The Glen Michael Cavalcade. 12.30 pm Good News for Ne'erday. 12.50 Welcome to the Hogmanay Ceilidh. 1.35 Feature Film: "Gunfight at the OK Corral," starring Kirk Douglas, Rhonda Fleming and John Ireland. 3.45 Razzmatazz. 4.15 Off to Sunny Spain—Arthur Montford and Jock Stein. 8.00 Thingummyjig. 12.00 And Another Thing. 12.30 am Late Call.

TSW

9.55 "The Daydreamer," starring Cyril Ritchard. 11.27 Gus Honeybun's Birthdays. 12.50 pm Abba: Words and Music. 1.20 The Puppy who Wanted a Boy. 1.50 "That's Entertainment." 6.00 Diff'rent Strokes. 6.30 The Opening Show. 7.30 Private Benjamin. 12.00 Postscript. 12.05 am South West Weather and Shipping Forecast.

TVS

9.30 am Bring in the New. 1.50 pm "Flash Gordon." 3.35 Mysterious Tales. 3.45 Bruce Forsyth's Play Your Cards Right. 5.15 Coast to Coast Special. 6.00 "Close Encounters of the Third Kind," starring Richard Dreyfuss. 8.30 Birth of a Station. 12.00 A New Kind of Family.

TYNE TEES

9.25 am The Good Word. 12.00 Midnight Superstar Profile. 12.30 Epilogue.

ULSTER

12.48 pm Lunchtime News. 5.58 Ulster News. 10.14 Ulster Weather. 12.00 Bedtime.

YORKSHIRE

12.00 Midnight Benson.

RADIO

(S) Stereophonic broadcast
‡ Medium Wave only

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.30 Newsbeat. 5.35 Scene 81. 7.30 Andy Peebles. 10.00-12.00 The Friday Rock Show (S).

RADIO 2

5.02 am Cricket Desk. 5.03 Ray Moore (S). 7.00 Wake up to 1982 with Jimmy Mack (S). 9.00 Terry Wogan (S). 11.00 Bob Monkhouse Special (S). 12.03 Johnny Mathis in Concert. 1.00 The Best of the News Huddlines (S). 2.00 John Dunn meets Gloria Hunniford (S). 4.00 The Bee Gees (S). 5.00 Pick of the Sporting Year (S). 6.10 Cliff Morgan (S). 8.00 Take Your Partners (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.00 Marks in His Diary. 10.30 The Bing Crosby Show. 11.15 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Elgar (S). 10.00 New Year's Day Concert direct from the Musikverein, Vienna (S). (Medium Wave joins at 11.00 am.) 1.00 pm News. 1.05 Russian Music (S). 2.00 "Patience" or "Bunthorne's Bride!" (S). Opera by Gilbert and Sullivan. Act 1. 3.10 Interval reading. 3.15 "Patience," Act 2. 4.00 Choral Evensong (S). 4.55 Dialogue Between Friends by Eva Figes. 5.40 Dvorak and Schubert, chamber music recital, part 1 (S). 6.30 Interval reading. 6.35 Recital, part 2 (S). 7.15 A Sheet Metal Worker is Approached by Ivor Cutler. 7.20 "A Christmas Carol," Opera in two acts by Thea Musgrave (S). 9.15 The Belman of London, adapted by David Nathan from the writing of the Jacobean playwright, Thomas Dekker. 9.45 Mozart, Violin Concerto No. 3 (K.216) (S). 10.15 Various Stages. 11.00 News. 11.05-11.15 Ars Antiqua Polyphony (S).

Medium Wave as VHF except: 6.55-11.00 am Cricket: Fourth Test, India v. England at Calcutta.

RADIO 4

6.25 am Shipping Forecast. 6.30 Today. 8.45 The Giant Under the Snow, by John Gordon. 9.00 News. 9.05 Desert Island Discs (S). 9.45 Ebdon's England. 10.00 News. 10.02 International Assignment. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Alistair Cooke Recalls January 1, 1932. 12.00 News. 12.02 pm You and Yours. 12.27 My Word! 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.05 Poetry Please! (S). 4.15 Diary. Joan Bakewell delves into the world of the regular diarist. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Year (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America, by Alistair Cooke. 9.30 Kaleidoscope 82: Sheridan Morley looks forward to some of the likely trends and events of 1982. 9.59 Weather. 10.00 The World Tonight. 10.35 Injury Time. (S) 11.00 A Book at Bedtime. 11.15 Ready When You Are, Mr DeMille! John Baxter, film critic and writer, evaluates the career of Cecil B. DeMille. 12.00 News.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

DIRECT SELLING

The Shaklee formula for growth

By Ian Hargreaves in New York

LIKE JOHN WAYNE and Coca-Cola, the door-to-door salesman is part of what America is. Put Walther Matthau in the role and it's a laugh. Give the script to Arthur Miller and you have tragedy.

These days, however, doorstep salesmen seem to be few in number, at least in the big cities like New York, where a high crime rate has ensured that doors are not opened to strangers.

But the business of "direct selling," to use the generic term which covers door-to-door selling and other personal sales techniques, is anything but a dying art.

One of its most rapidly growing practitioners is the Shaklee Corporation, whose *home town is San Francisco* and whose wares are vitamin pills and other ingredients for the growth industry of healthy living.

The jogging and juice bar craze is probably the main reason why Shaklee has been able to grow from \$62m in sales in 1972 to \$454.5m (with \$24m in profits) last year.

But a strong supporting factor has been Shaklee's development of the direct selling concept, which has made it a strong No 3 in the direct selling field to the ladies of Avon and Tupperwear, who have been selling cosmetics and plastic boxes for a long time indeed.

Shaklee was founded in 1956 by a genial California doctor and nutritionist, Forrest C. Shaklee, and his two sons, each of whom had worked in the direct selling field, one in insurance, the other in household products.

In 1956, according to Gary Shansby, a former Colgate-Palmolive executive, who is now president of Shaklee, direct selling offered two crucial advantages: a one-to-one sales approach which works well for complex personal items like food supplements and health pills, and a part-time direct selling sales force which at low cost gave the young company an entrepreneurial vigour across the country.

Shaklee, says Mr Shansby, also has to be clear about what kind of direct selling it is in.

He describes three main categories: the door-bell-ringing Avon ladies; the housewives who sell Tupperware at parties, which are promoted primarily as social occasions; and the Shaklee system, which is to set up a chain of distributors, each of whom receives incentives to recruit others, first as consumers, then as distributors.

Parties and doorsteps would not work for diet products, Shaklee believes, and the company was reinforced in its opinion by the failure of a test of vitamin pills through the Avon network. At the same time, parties hardly seem the right place to discuss your neighbour's obesity or lecithin deficiency.

Today, the Shaklee "family," as the company likes to style it, comprises 1,500 full-time employees, almost 13,000 part-time sales leaders in four countries, and hundreds of thousands of distributors organised into cadres by the sales leaders in any given area.

The way the process works is as follows:

First, someone you know rings you up or mentions casually that he has discovered Shaklee products, which are mainly either pills or other foods like drink mixes or crunchy bars, made from natural ingredients. The idea is to ensure that every day your diet meets medically recommended standards.

You are then invited round to the Shaklee distributor's home for what Shaklee calls "an opportunity meeting." This involves a detailed presentation about the products and a chat about how wonderful or otherwise you are feeling on your diet of TV dinners and doughnuts.

The next step is to try the goods.

If you agree they are a good buy, you will be tempted to *become a distributor, if only so* that in future you can buy from Shaklee at wholesale prices.

But once you have your stock of pills and foods on your shelf at wholesale, it's but a small step to start selling them to your friends. Once registered to do so, at the cost of \$12.50 for a starter kit of brochures, you are a Shaklee distributor.

From there, degree of zeal is the only limit. Several hundred Shaklee sales leaders (a sales leader is a distributor who has graduated to selling at least \$3,000 worth of product per month) gross over \$50,000 per year, and although the company cannot enforce retail prices, it says the normal profit margin is 30 per cent.

Extra incentives for top sellers are Shaklee cars, of which 6,000 have so far been handed out, and free attendance at special conventions at which the company offers a mix of variety shows and sightseeing with education about Shaklee products.

"*Most of our people do not* believe they are selling the product so much as sharing it

J. Gary Shansby, president and chief executive of Shaklee Corporation: sales of more than \$450m, and a belief that the modern "Yankee pedlar" is a prototype of President Reagan's idealised free enterprise man.

with their neighbours," says Mr Shansby, who predicts a bright and growing future for the direct selling concept for "highly consumable products that serve a useful purpose."

Perhaps the most remarkable thing about Shaklee is that such an apparently all-American approach to selling, with its bulit-in corporate religion of the Shaklee "golden rule," which states that "you succeed by helping others to succeed, by sharing products and the Shaklee business opportunity," is working elsewhere.

Shaklee is booming not only in smalltown Iowa, but in sophisticated Cambridge, Massachussetts, as well as in Canada, Japan and Britain.

In the UK, which was Shaklee's star performer last year, says Mr Shansby, "consumption of sweets is extremely high, and there has not been *the concentration upon vitamins* that you have had in the U.S. and Japan. But in the UK the economy is in trouble and there is a strong desire among people to supplement their income."

Last year, sales outside the U.S. were \$83m, almost a fifth of the total. Next year, Mr Shansby plans to start up in Germany, although he is hesitant about France, where, he senses, Shaklee would find "a nation of healthy eaters who don't believe in dietary supplements."

In the U.S., he foresees no fading of the country's phenomenal health obsession, and expects Shaklee to grow by between 15 and 20 per cent a year.

The health food market is already a \$5bn-a-year business, of which \$2bn relates to the pills and supplements which are Shaklee's main concern.

Of the \$5bn, direct selling accounts for more than 25 per cent, and the *proportion is* growing each year.

However, direct selling also throws up some problems. What do you do about bad distributors? Shaklee takes away their incentives where possible, but normally just ignores them.

Shops have presented another problem, because for a time Shaklee was challenged by the U.S. trade authorities over its insistence that its products must not be sold in retail stores. Shaklee won, and remains convinced that store sales would be less profitable, and would in any case seriously damage morale among distributors.

Advertising is an unresolved question. Currently, Shaklee does not advertise, because it believes in the more personal, detailed pitch of the "opportunity meeting." But Mr Shansby admits that the "newer people" in the company think the products can become better known, and reinforce the corporate image, with the help of advertising.

Shaklee also has a broader image problem in that as the company grows and needs more financial resources, it needs to be well understood in the investment community, where direct selling still smacks, agrees Mr Shansby, of "knock and run" merchandising.

"I was nervous as hell about *direct selling when I joined* Shaklee in 1975," he says.

"My father worked during the depression in this country, walking through the West selling a pharmaceutical product. But he had to keep going in one direction because the product wasn't that good."

Today, however, Mr Shansby sees the modern "Yankee pedlar" as a prototype of President Reagan's idealised free enterprise man.

The President, a Californian acquaintance of Mr Shansby, is not averse, it is rumoured, to the odd vitamin pill or crunchy bran bar himself. And as everyone knows, he is almost as healthy as Shaklee's bottom line.

BRITAIN: SALESMANSHIP 'THE WEAKEST LINK'

Just back from the salesman's funeral?

BY MARTIN VAN MESDAG

A FEW DAYS ago I learnt that, for its sales conference, a motor vehicle company had chosen as its theme: "The Return to Selling."

If my own experience is anything to go by, the company concerned must be unique in its industry both for its implicit admission of having neglected selling, and for its wisdom in seeking to do something about it.

British salesmanship is in a sorry state — if not in absolute terms, then certainly in comparison with the salesmanship of foreign competitors.

Countries which are our biggest export customers enjoy much higher shares of our imports than we do of their's, so that whether our industries sell at home or abroad, they are confronted by international competition.

Next to poor compliance with delivery commitments, salesmanship is seen to be the weakest link in our competitive performance, as recent research makes clear.

Earlier this year, the Sussex University Science Policy Research Unit reported on a series of surveys of failures in industrial innovation.

According to the Unit's senior Fellow, Roy Rothwell: "Britain's inability to keep pace with the steady development of technology, coupled with lack of attention to marketing needs, is the reason for our national decline." He added that Germany's "sales and marketing bias" had a lot to do with her success in engineering.

More recently, an Institute of Marketing report, Purchasing Industrial Goods from British Suppliers, published this month, found that the main weaknesses in the sales efforts mounted by British suppliers were as follows: inadequate knowledge of customers' needs; poor communication between sales and all other company departments; and a low level of business-generating activity, notably in the more traditional industry sectors.

Here are some chilling quotations from the Institute's report:

". . . salesmen tend not only to be badly trained, but the service provided by (their) companies is generally bad . . . The performance of many sales forces can clearly be improved."

". . . all too often, visiting salesmen would have little or no idea whether production could be stretched to meet new orders."

". . . salesmen failed to understand their own products, and did not have sufficient technical expertise to be able to *adapt their products to customers' needs.*"

"Salesmen . . washed their hands of orders once they were booked."

"Buyers always had to go out and actively seek sources of supply in Britain, whereas

'In many cases, a company's poor sales performance is part and parcel of a generally underdeveloped marketing awareness. But I suspect there are also cases of companies whose product development, advertising, promotion and research effort are up to scratch, but who neglect the sharp end of marketing: selling.'

foreign companies actively promoted and sold their products.'

The report went on to show that such shortcoming were far less often displayed by non-British suppliers.

Reporting on a large-scale survey among purchasing managers of British companies a few months ago, the Institute of Purchasing and Supply provided an evaluation of the performance of suppliers' salesmen. It revealed that inadequate negotiating skills and insufficient knowledge of customers' businesses were seen to be salesmen's greatest weaknesses.

The salesman's inadequate knowledge of the market environment in which he and his products are competing is confirmed by other research.

For example, last year AGS Management Consultants of Singapore surveyed a sample of business managers in Singapore, Malaysia and Hong Kong, and obtained a rating of British salesmen against their rivals from other countries.

While British salesmen's diplomacy and honesty were highly rated, they came bottom on "perseverance" and "thoroughness of preparation."

It is not a pretty picture.

We hear moans from the Government and the unions about the need for increased investment in industry, from the Government and the management organisations about the need for greater productivity, and from all three about the need for a greater R&D effort.

But isn't it possible that the facts points to much more obvious and straightforward remedies for some of our ills?

The research findings already quoted implicate not so much the salesmen themselves as their managers, and those who manage their companies.

In many cases, as the research suggests, a company's poor sales performance is part and parcel of a generally underdeveloped marketing awareness. But I suspect there are also cases of companies whose product development, advertising, promotion and research effort are up to scratch, but who neglect the sharp end of marketing: selling.

In my view, the emergence of concepts like account management, physical distribution management, and trade marketing, have come about as palliatives for the neglect or downgrading of selling.

As I see it, the rapid increase in the competitiveness of foreign suppliers, both in home and overseas markets, and the concentration of buying power found in many of the markets *in which we sell*, call for more, rather than less, emphasis on selling.

Our salesmen need to be trained and managed if they are to become skilled neogtiators; if they are to become and remain knowledgeable about their customers' trading environments, and if they are to persevere in efforts to service existing business as well as generate new business.

Salesmen's tasks need to become an integral part of the organisation, known and understood by all as the "front end."

It is indeed time for a "return to selling."

Martin van Mesdag is a marketing consultant

TECHNOLOGY

EDITED BY ALAN CANE

Electron-beam storage in the basement

BY DAVID FISHLOCK, SCIENCE EDITOR

IF AN atom-smasher ever turns into a production-line tool, the odds are that first in the field will be IBM. Dr James McGroddy, vice-president of IBM's research division responsible for logic and memory, has plans to build one in the basement of the Thomas J. Watson Research Center at Yorktown Heights.

The electron-beam storage ring Dr McGroddy wants will cost about \$3m — of the same order as the most advanced electron-beam machines now being used at two or three IBM factories. Their task is to "write" wiring patterns for silicon chips carrying the equivalent of up to a quarter million electronic components.

If the storage ring works as well as the scientists hope, it could push this figure to a million or more per chip.

Electron-beam writing is already an integral feature of the most advanced chip manufacturing technology of IBM. Its most highly automated production line, at the General Technology division at East Fishkill, north of New York, has three electron-beam machines, and a fourth — more advanced — being readied for use.

At \$3m a unit, for machines no bigger than an ordinary milling machine, we have an inkling of IBM's investment in this manufacturing line. Executives wince when asked about the total cost of a line in which every step in the long sequence of chemical and physical operations required to make chips has been brought under the control of the computer.

"It's a view of the future," says Dr Paul Lowe, general manager of the East Fishkill factory. With over 9,000 engaged wholly on making chips, Dr Lowe is unlikely to be contested when he claims to run the world's biggest chip factory.

But in QTAT—"quick turnaround time"—Dr Lowe believes manufacturing technology is being pushed just about as far as it can go in the quest for automation.

Overnight

QTAT is IBM's answer to the formidably complex problems of batch-producing chips having tens of thousands of components per chip. Such chips—very large scale integration (VLSI), as it is known in the trade—normally need a lengthy design period as well as a long manufacturing sequence. Thus they need runs of millions of chips to make them pay, when design alone may cost \$10m.

With QTAT, the production line itself can "personalise" different chips on the same wafer of silicon, making it economic to go to VLSI for quite short runs. Moreover, new designs can be put into production almost overnight—between Friday and Monday, Dr Lowe claims.

Experimentally, the engineers have put as many as 5,000 bipolar circuits on a single chip using QTAT.

At the heart of the system is a remarkable way of routing wafers of silicon, like trucks in railway marshalling yards. It works on the hover-train principle except that the track, not the trucks, provide both lift and propulsion through air-jets, to move the fragile 82 mm diameter wafers of silicon.

A computer program brings the air jets into play, determining when and where the wafer moves next. It has the choice of 100 automated work stations, both wet and dry, grouped into eight sectors, each 100 ft long. The engineers claim it is impossible to get a crash of silicon wafers, "though we may have a little mix-up once in a while."

The air track and work stations are shrouded in a clear plastic enclosure within which the air is kept up to 1,000 times cleaner than that of the clean room in which QTAT is operating.

Highlight of the automated workstations is electron-beam lithography, where finely-focused beams of electrons are scanned to "write" circuit patterns on the resist-coated wafer. The technology was originally developed in the Thomas J. Watson Research Center, which made its first devices in this way in 1973.

With electron beams there is no need to use the many high-precision masks normally used in chip manufacture to delineate circuit details. The circuit design is stored on a disc, and used to steer the electron beam in much the same way as electrons "paint" the picture on a TV screen.

Typically, the beam is writing 4,000-5,000 lines within the space of a chip 4.6 mm square. The slightest jog can "personalise" a circuit in a manner its designer never intended.

But Dr Lowe takes the view that the advantage of electron-beam lithography is not so much the fine line width it can accomplish as its flexibility. In QTAT, its principal use is the "personalising" of gatearrays for IBM's central processors.

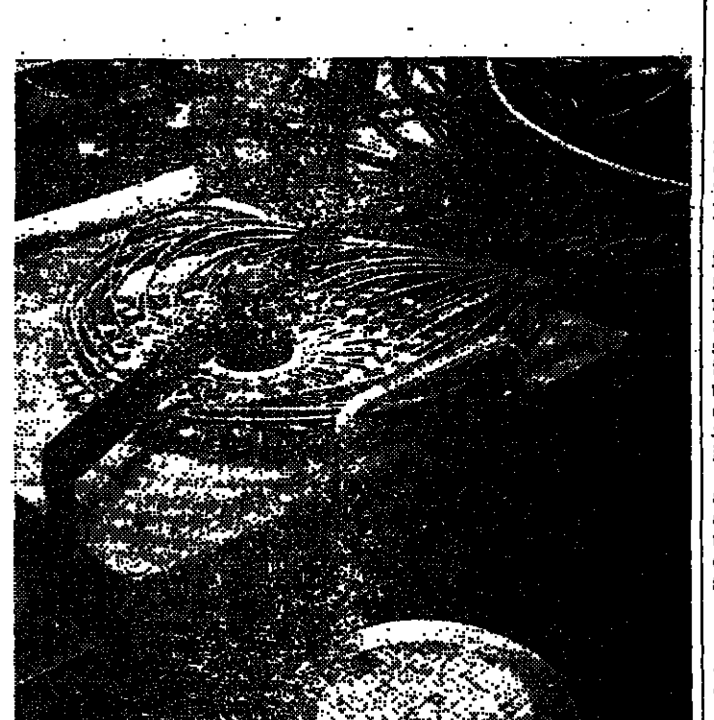
Where even QTAT still depends on the human operator is at the six stages of visual inspection. But it has automated the final testing of bipolar chips in a system which handles 100m signals per second (see accompanying illustrations).

QTAT has integrated every step except testing in one continuous manufacturing line. Its reliability—mean time between failure (MTBF) has proved "very good indeed," Dr Lowe claims. Yields today are higher than when QTAT was first installed "but not high enough to warrant using it for everything." One advance which it cannot use is the impending move to a larger size of silicon wafer, 100 mm and later 125 mm diameter.

QTAT's great virtue is its quick response to new designs and design changes, Dr Lowe says. But this is wanted in only a portion of IBM's chip requirements.

But it has also demonstrated big advantages for pairing certain processes into automated couplings that need no human intervention. Such couplings have appeared at other IBM factories, making memories at Burlington, Vermont, and in West Germany. "We're very pleased with the payoff," Dr Lowe says.

AN IBM logic tester operator interchanges a probe interface board. Each probe allows the tester to handle a different wafer "footprint."



THE array tester at IBM's testing facility in New York State can apply test signals at the rate of 100m signals per second.

'Zip-on' screening

WHERE EXISTING cable runs are proving to be sensitive to electromagnetic pick up, causing interference, or are themselves emitting unwanted radiation, a "zip-on" screening sheath from RFI can be used.

An extruded PVC "Zip" is incorporated to give maximum flexibility while retaining good radio frequency integrity. The track is closed using either a slider or a special plier tool and it can be permanently sealed using a special adhesive. Fittings can be supplied for terminating the sheath to equipment housings or bulkheads.

Five types of the product are available offering various grades *of shielding; the most commonly* used are SHX2 and 4, which employ knitted wire mesh as the shielding material

Escomatic indexer

AVAILABLE AS optional equipment for the Escomatic D6S-R coil-fed automatic lathe is an indexing counter-collet from the machine tool division of Hahn and Kolb. By indexing the counter-collet the lathe can perform cross-drilling and cross-milling operations in more than one direction. Such work would otherwise necessitate the use of a second operation machine. Full details from Hahn and Kolb, Leicester Road, Rugby (0788 74261).

All-welded hovercraft

THE FITTING of conventional pairs of eight-cylinder marine diesel engines and an all-welded aluminium hull are the main contributors to improved first and running costs of a new hovercraft, AP 1-88, just launched by Fairey Allday Marine.

The craft (pictured below) has been designed to replace the SR.N6, which was of aircraft-riveted construction powered by gas-turbine aero engines driving the lift fans and the unshrouded propellers.

The new craft has a pair of Deutz eight-cylinder, air-cooled engines, each providing 324 hp to produce the lift. Another pair, each developing 428 hp (12 cylinders), are located aft to power the shrouded propellers.

Directional control is obtained by the use of differential propeller thrust aided by swivelling bow thrusters and aerodynamic thrusters mounted on the rear of the propeller shrouds.

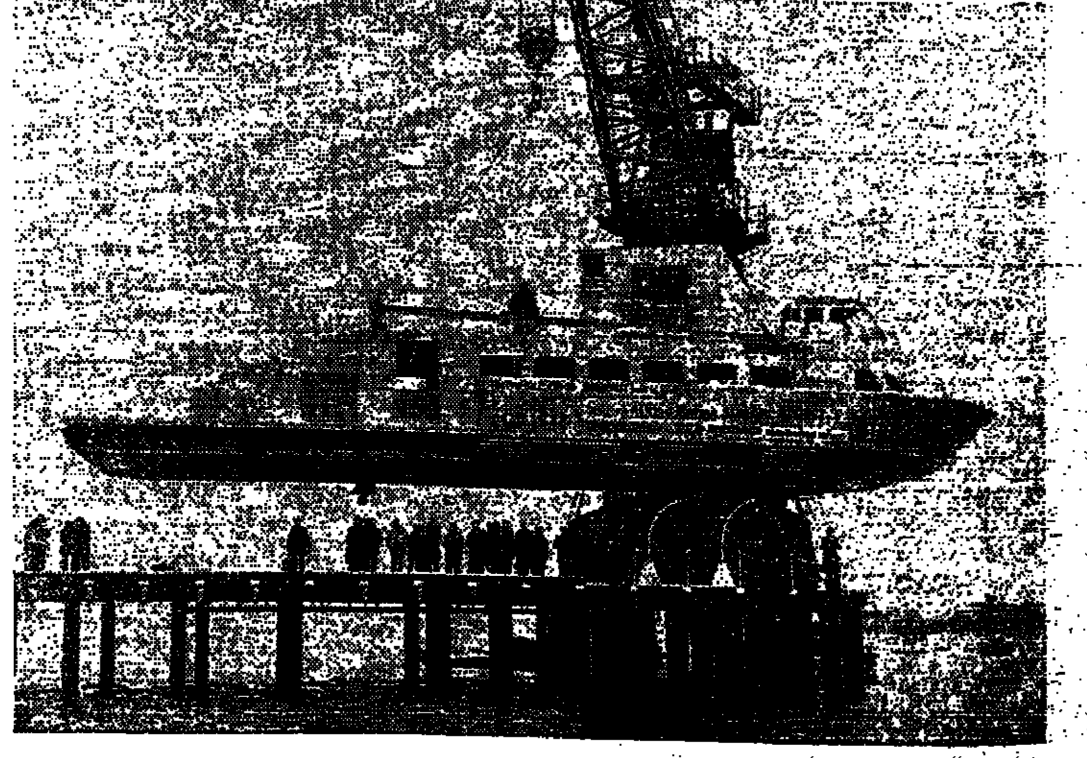
Flowmeter principle

A FLOWMETER using the Pelton wheel principle, able to deal with a maximum flowrate of 50 litres/min, has been put on the market by Rhodes and Son, Romford, Essex (0708 6233).

Rotational speed of the wheel is measured by an inductive pick-off, delivering a signal of frequency proportional to the flow rate.

The device is manufactured in plastics that make it suitable for such applications as filling containers with solvents, continuous dosing of additives and the monitoring of cooling circuits. Accuracy is plus or minus two per cent.

Called Peltflow, the system may be fitted with BASEEFA approved intrinsically safe pick-off assemblies and pre-amplifiers. Rhodes can supply a comprehensive range of read-out and control instruments.



THE ARTS

Andrew Clements concludes the critics' review of the year's music

High spots from old masters

The year, by and large, of consolidation rather than innovation. Few new reputations were made in the concert hall; no *Wunderkinder* delighted and amazed us, and only one legend was made flesh, though that in itself brought the year's major critical controversy. Taking over a concert with the London Symphony Orchestra from the fatally ill Karl Böhm, Carlos Kleiber made his long overdue London concert debut. It was a programme (the *Der Freischütz* overture, Schubert's third and Beethoven's seventh symphonies) that sharply polarised the press. Max Loppert, reviewing it here, found the results far less convincing than Kleiber's opera house appearances; I enjoyed the concert enormously, delighting in the physical excitement that was generated, often at the expense of technical niceties and sometimes by means of dangerous mannerisms. Most critics, I must say, agreed with Mr Loppert.

Kleiber apart, the conductors who broke through the tedium of most orchestral-concert programmes were much the same bunch that rose above the routine in 1980: Sanderling, Tennstedt, Rattle, Solti. To them this year must be added Paavo Berglund, who in March gave an all-Sibelius programme with the LSO that included the ravishing and rarely heard *Luonnatar* and concluded with a devastating account of the first symphony. With tthe same orchestra Berglund was equally impressive at the Proms in *Pohjola's Daughter* and Brahms' first symphony, muscular and unflinching in its approach. In the 19th-century repertory Kurt Sanderling, in concerts with the London Philharmonic, suggested himself the true heir to a tradition of German music-making most recently represented by Klemperer, while Kurt Tennstedt, who takes over the LPO from Solti in two years' time, demonstrated that his unerring control of Mahler's architectural forms is equally appropriate in Bruckner.

Simon Rattle presented the first of his three seasons as artistic director of the GLC's South Bank Summer Music, and with his presently infallible Midas touch, produced a season of sparkling performances: [illegible], punchy Weill and Milhaud with the London Sinfonietta, and an exuberant concert performance of *Porgy and Bess* with the City of Birmingham Symphony Orchestra, not the complete score as originally promised, but still an ambitious project, extending the horizons of London's alternative summer festival yet further. With the CBSO Rattle also added to the wealth of fine Sibelius at the Proms: a stunning account of the second symphony, showing off his orchestra to the best possible advantage. Solti's concerts that I heard were less than usually consistent. The Chicago Symphony Orchestra's visit to the Proms brought the expectedly glossy versions of Bruckner and Bartok, but Solti's later account of Elliott Carter's Variations for orchestra was one of the authentic highlights of the year, a salutary example of the standards London orchestras (the LPO in this case) can achieve in difficult scores when given the necessary amount of rehearsal time.

A deeply thoughtful performance of Mahler's second symphony by the young Hungarian conductor Ivan Fischer declared not simply a formidable talent in the making, but a character already unafraid of upsetting orthodoxy. Herbert von Karajan and the Berlin Philharmonic visited Britain for the traditional glamour-filled Festival Hall appearance, but also gave a short concert in the Sheldonian Theatre, Oxford, von Karajan's thank-you for an honorary doctorate. It was a joyous, relaxed programme, more human and light-spirited than any other concert I've heard them give, with a rich, profound account of Strauss's *Metamorphosen* to close.

Another trip beyond the capital — to Birmingham for Messiaen's *La Transfiguration* given by the City of Birmingham Choir and the CBSO — was one of the few contemporary-music highlights in the first half of the year. The ICA's MusICA series continued on its challenging, unself-conscious way, providing the first chance to hear the music of Walter Zimmermann, a young West German composer of definite originality but less positive musical focus, and administering another dose of Giacinto Scelsi, still a thorny proposition, but with renewed acquaintance now projecting some kind of graspable surface.

The London Sinfonietta's series of three concerts combining Hindemith's *Kammermusik* pieces with new works was one of that organisation's less successful ventures, but in collaboration with the BBC it featured in two of the most valuable contributions to new music. In the current season the Sinfonietta is sharing the BBC's College Concerts with the BBC Symphony Orchestra; already the series has revived George Nicholson's impressively assured *The Convergence of the Twain* and brought to London Alexander Goehr's teasing and unexpcted *Deux Etudes* and Shnitke's moving third violin concerto, which at last justifies the faith the Corporation has consistently shown in the Soviet composer.

Together with the London Orchestral Concerts Board, the BBC has also launched the crucial "Music of Eight Decades" series, which might at last long prove to be the way to attract a following to modern music events. Though the financing of the series has tactlessly upset some of the independent orchestras, it promises to produce a genuine partnership between the BBC and the symphony orchestras for the best possible reasons. Under the "Eight Decades" banner Pierre Boulez spent three weeks with the BBCSO in November, and crowned it with a memorable performance of his *Pli selon pli*, with Phyllis Bryn-Julson as the supremely assured soloist.

A sense of adventure seemed to have crept back into some of the Proms programmes also. An all-night recital of Indian ragas transcended its novelty value with some moments of ravishing beauty, and at least one of the Proms commissions was a large-scale success—John Buller's *Theatre of Memory*, intellectually ambitious and flawlessly grateful in its instrumental writing. Harrison Birtwhistle *For O, For O, the Hobby Horse is Forgot* was a welcome British premiere, carried over from the stricken Proms season of last year and dramatically delivered by the Strasbourg Percussionists. For brand-new Birtwhistle, however, the Huddersfield Contemporary Music Festival took the honours, with two important first performances. *Pulse Sampler* is an immediately attractive essay in the exploitation of cross-rhythms and fluctuating tempi for oboe and claves; the new clarinet quintet, written for Alan Hacker and his Music Party, reveals its secrets less generously, and will require and repay future, close attention.

Sheila Brand and Martin Shaw

They're playing our song

Sheila Brand has taken over from Gemma Craven the role of Sonia in *They're playing our song*, the well established musical at the Shaftesbury, and she actually succeeds in making the most irritating character on the London stage interesting.

Sonia is the manic New York Jewish lyricist, modelled on Carole Bayer Sager, who actually wrote the lyrics, and the plot tells of her affair with Vernon, modelled on Marvin Hamlisch, who actually wrote the music. Neil Simon was interested enough in their romance to write the semi-fictionalised book.

As a Canadian, Sheila Brand has an easier time with the accent, sings with a smaller but prettier voice, and seems much more natural in the part. She has also established quickly a good stage relationship with Martin Shaw who plays Vernon.

Indeed Shaw was the surprise of this re-appraisal, looking very relaxed and confident as the song writer who has much more luck with his work than his women. As people Sonia and Vernon are extremely boring but the songs are good, and develop naturally and there is enough Neil Simon one-liners to make this a safe musical outing for a celebration.

A.T.

New Half Moon

Decameron by ROSALIND CARNE

Before those nasty Victorians spoilt our fun, women were allowed to enjoy their lovemaking. But lovers are not always on call, and upper-class 14th-century housewives endured long spells of joyless leisure. To cheer them up Boccaccio wrote 100 stories of intrigue, hyprocrisy and lust, narrated by a group of young Florentines fleeing from the plague of 1348.

Justin Greene and Steve Cook have adapted 10 for the stage, avoiding the heavily morbid, with the exception of the sad tale of Lisa Betta (immortalised by Keats as Isabella) and the pot of Basil. But graves are more often places to hide in, rob or break out of, than places to weep over and the prevailing spirit of the occasion is merrily amoral and shamelessly scatological. Virtue is its own reward, while cunning often leads to more solid satisfaction.

The best illustration is an addition to Paines Plough's original Edinburgh Festival production. Madonna Beatrice invites the servant Lodowico to her bedchamber, even as her husband snores by her side. He smells a rat and is sent into the garden disguised as his wife in order to seek out her scoundrel lover. The illicit pair enjoy one another and the poor cuckold gets a sound beating.

Such naughty partiality provokes noisy glee from the audience, especially when the happy philanderer in question is played by Tom Bowles, with his fetching combination of rampant sexuality and gormless passivity.

Actors Bunny Reed and Robert McIntosh adopt similarly exaggerated facial patterns—protruding tongues, rolling eyes, grimaces and leers, a nice counterbalance to our over-refined view of Renaissance man. The women, Kate Lock and Ellie Haddington prefer not to distort their pretty faces, indulging in vocal variety instead.

The former opens her narration in distinct BBC English lapsing into character with an idiosyncratic blend of Belgravia, bog Irish and the Liverpool sound. Having seen her as a 12-year-old girl in the same group's *Days Here So Dark*, I am further impressed by her range of skills as a comedienne.

Jeannetta Cochrane

The Leaving of Liverpool

I am happy to say that the Children's Music Theatre has produced another characteristic piece. Their characteristic pieces are designed for big companies of boys and girls of immediate pre-pubic age, an age, as the Elizabethans knew, when young people can act without thinking of how Sir Larry or Dame Peggy would do it, and are delighted, if they are given the necessary urge, to show themselves off to an audience.

This characteristic piece, by Jeremy James Taylor (who is also the director and the artistic director of the company) and David Scott, has a characteristically melodramatic story and as many occasions as possible for singing. Henry Duployen (played by the boy who led the company last year in *Captain Stirrick*) and William Tapscott are two evil men who, under the pretence of running emigrant ships, actually run a business of selling children in America for cheap labour.

The cargo on this voyage consists of a juvenile theatrical company, a bunch of boys from the Ragged School and a poor Irish family going out to join their father. The theatricals are managed by an ambitious and not too scrupulous man who is also in the business of flogging plaster busts of Shakespeare, and when Duployen's plot is discovered by two of the Irish boys, the manager, remembering his *Hamlet*, puts on a play that will catch the conscience of the professor and the ship's owner, and all may be said to end happily.

As far as I was concerned, all went happily throughout the evening, for this company plays with a completely professional polish. (One of the boys, a late entrant, actually only had one rehearsal, but I only knew this because I was told.) The singing is of cathedral standard, and the acting has that special quality which youthful acting provides, of unselfconscious honesty and involvement.

Jeremy James Taylor's direction is a gem of accurate discipline. He has 40 players in the company, recruited from 22 schools. The production is sponsored by Barclays Bank.

B. A. YOUNG

Palace, Watford

Cinderella by MICHAEL COVENEY

As already reported on this page, the Watford Palace, an enchanting Edwardian theatre, has been splendidly refurbished. The appeal has raised £65,000 so far and, with contributions from the Arts Council, the Watford Borough Council and the Watford Civic Theatre Trust. Just £10,000 more is needed to cover the overall costs of £200,000.

This has been a magnificent achievement and the local audience is responding by booking up the annual pantomime, which runs until January 16. Some seats are available for the last week, and customers are being rewarded with an excellent show.

The script by Peter John is a little slack, most effort concentrated in the rhyming couplets of the Fairy Godmother (Lill Roughley) but the story proceeds at a good pace. Not enough is made of Button's devotion to Cinders and the song sheet number is far too complicated. The Ugly Sisters' boudoir scene is short on slapstick and long on farcical rushing about, but everything else is fine and Dandini.

The transformation scene in the forest is a picturesque finale to Act I, four white mice emerging from a cloud of dry ice in fairyland to draw a glittering silver coach, and the ballroom is a clever creation of representational flats and a solid staircase topped by a practical clock. The brokers' men have some funny business when disguised as flunkeys and the Ugly Sisters, Horrenda and Grotty (Dudley Stevens and David Boyce), are only really evil when destroying Cinderella's invitation accidentally on purpose.

Sabina Franklin is a toothy, leggy Prince Charming, Laurel Ford an impressive Dandini and Anne Miles a blonde and engagingly sympathetic Cinders. The children responded enthusiastically to Leo Dolan's chipper Buttons and the pantomime horse proves a genuine tap-dancing hoofer. There are performances twice daily and thrice on Saturdays. Bob Carlton's production is certainly worthy of this beautiful new addition to the country's growing list of imaginatively restored houses.

Riverside Studios

Snow Shoe Shuffle

As a stranger to the finer points of tap dance, I am delighted at the opportunity to report on three veterans of the art. First on stage is Honi Coles, natty in a blue blazer and grey checked trousers, the showman who loves his audience, offering a song and a few jokes alongside the perfected elegance of toe and heel. His legs are like motorised stilts, feet high off the floor, throwing out their unique rhythmic accompaniment to a smooth jazz quartet, led by pianist Mike Walker. Despite the energy, the man stays cool, assuring us from the start, "there'll be no exertion tonight." Sure enough, by the end of the evening, he looks as if he has just stepped out of the dressing room.

Chuck Green, the "Master," wastes no time on image, despite the tuxedo. He is the skilled purist, involved, intricate and lost inside himself. The moves are rapid but quieter, taps screwed on tighter, he steps close to the floor with a hint of tension across the curved shoulders. He is the grand old-timer who began tapping on an Atlanta sidewalk and made his name in the forties at the Harlem Hoofers' club. His party piece is "peg-leg," tapping out wild circles, with one heel firmly screwed to the floor. There is no doubting his brilliance but his dancing belongs in a rowdy, intimate club.

Will Gaines is the clown of the trio, a natural unscripted chatterbox, whose every step is a prelude to shameless laughter. He should talk less and dance more, with his daring slides and jumps he is quite a match for the other two. I loved the flashing repartee of their ensemble pieces, of which there are too few.

Pre-Christmas festivities involved enthusiastic audience participation, both professional and amateur. This proved lively, though I would have enjoyed less chat and nostalgia and a little more action from the experts.

American tap is quite distinct from its English cousin (described by one experienced dancer at the Riverside as "itchikoo"). It is freer, jazzier, conscious of its African roots, the rhythmic clapping, drag and shuffle.

ROSALIND CARNE

New Half Moon

The Tinder Box

This simple tale of love and avarice is free of the grotesquerie which characterises so many children's stories. Perhaps as a result my memory for detail is somewhat hazy but it certainly feels as if writer Malcolm Sircom has taken few liberties with the Hans Christian Andersen original. There are no sub-plots and none of the extra characters who pop up so often in modern pantomime; the narrative unfolds quickly and clearly, with admirable economy of scene and dialogue.

A soldier back from the wars seeks a rich young wife. A bored princess seeks a little action. Naturally, they fall for each other on sight, but their romance is hindered by the miserly old king who will accept no less than a millionaire for a son-in-law. A 300-year-old witch sends the soldier off to find a money bag in "Hangman's Hall," on condition he can bring her back a magic tinder box, which is hidden with the coins.

When he finally gets hold of the box, he refuses to surrender it. The king is forced to give away all his money and to marry the old crone, who is rather a homely old bird. There is no hint of monstrosity in the piece, even the dog "with eyes like tea cups" who guards the treasure and the tinder box, turns out to be a lovable beast.

Chris Poulson is a fine figure of a military man with a tasty pair of thighs and a strong voice. His paramour, played by Sarah Harper, is equally musical, with none of the saccharine simper that blights many a female lead. Hoping to get closer to the real world, where people have real fun, she sheds her obstructive crown and gown and capers about in fashionable velvet knickerbockers, blending theatrical genre and contemporary style with debonair grace and confidence.

No small part of the show's appeal lies in allowing a measure of guts and spirit to the goodies and a degree of sympathy for the baddies. Harriet Reynolds makes a touching old crone, desperate for affection and admiration. David Brett's king is the real sweety-pie; his money lust has the surreptitious glee of schoolboy gluttony, and the youthful audience easily recognised the petulant spoilt child on the throne.

Fisty Read, on the piano, plays original music by Sircom with some of her own additions. It is a hummable melodic score, gliding imperceptibly into the dialogue with some good, stomping rhythms, not the least of the opportunities for enthusiastic spectator participation. Finally the costumes, by Malcolm Heywood, have the authenticity of a Victorian illustration.

ROSALIND CARNE

Wembley Arena

Holiday on Ice by MICHAEL COVENEY

I obviously had a deprived childhood. This rousing spectacular was my first experience of a skating show, and a real eye-opener it turned out to be. For a start, you have to keep reminding yourself that these people are actually skimming across frozen water on a pair of thin blades. It is all done with consummate artistry and begs comparison with only the best in cabaret entertainment such as you find at the Lido in Paris.

Robin Cousins is no doubt the big draw for 6,000 customers who will pack the arena twice daily until the end of February. He has two solo spots: first as a lonesome Gene Kelly character improvising in the rain, second as Elvis Presley in a gorgeous tribute to Hollywood. The centre piece in each set is a fantastic backwards somersault, executed at high speed. Otherwise, you marvel at the way he hangs momentarily suspended in mid-air, or creates a succession of rapid pirouettes and jumps without destroying a most elegant and seductive line of expression.

There is more than a touch of Busby Berkeley in the big chorus routines, which make maximum use of the rink and build to some marvellous regimented patterns.

Of the other soloists, Kirk Wyse is impressive in all he does and especially as Charlie Chaplin, incorporating all the familiar movements and reflexes in a fluent display; and Guy Longpré and Alain Legal perform some excellent knockabout. One or two of the others would only be scoring seven or eight in competition, but that reflection is only prompted by the extraordinary demonstration offered by Robin Cousins. He is the real star of a high class evening.

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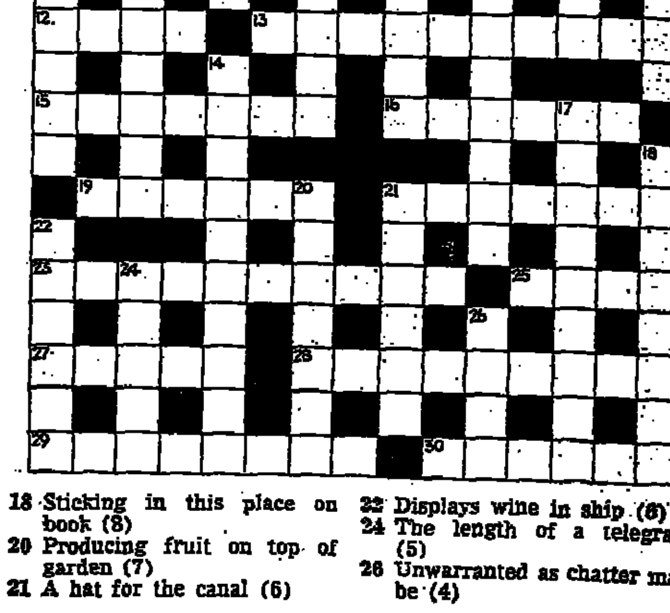
F.T. CROSSWORD PUZZLE No. 4,760

ACROSS

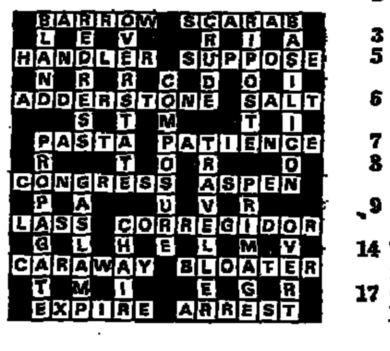
1 Puzzle in a large screen (6)
4 Sudden loss of consciousness from deficiency in a round (8)
10 Extracts money from tipster for a drink (4, 5)
11 The lowest point of drain re-designed (5)
12 One French article with it (4)
13 Boots for soldiers? (4-6)
15 Enclose to keep in check (7)
16 A writer producing plagiarism in the South-east (6)
19 Dread one who makes himself a nuisance (6)
21 Bridge, or another card game (7)
23 Does it need a little child to choose a foolish person? (10)
25 Measure a boundary (4)
27 Bramble to irritate us (5)
28 I'm intervening without delay (9)
29 The cheapest way to travel briefly at any time in coach (8)
30 Hate some French examination (6)

DOWN

1 Odd horse to give a drink (3-5)
2 Everything I dance about is trifling (9)
3 Choose a parting (4)
5 Understatement, literally over nought set up (7)
6 Running together and meeting in the same point (10)
7 Arrange in sequence (5)
8 Bird giving disease to infants? (6)
9 Two companies taking on silk supplier (6)
14 Tale of terror the tonsured may appreciate (4-6)
17 Commission making second-hand dealer mature (9)
18 Sticking in this place on book (8)
20 Producing fruit on top of garden (7)
21 A hat for the canal (6)
22 Displays wine in ship (8)
24 The length of a telegram (5)
26 Unwarranted as chatter may be (4)



Solution to Puzzle No. 4,759



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The cultural revolution

Video meliora, proboque; deteriora sequor—I see the better, and I approve; I follow the worse.

Ovid was right, and not only about morals. One of the peculiarities of human nature is the inability to recognise good fortune when it exists. How else can one explain the fashionable pessimism of the 1980s and the fact that in so many areas—international relations or economic growth—we seem to be going backwards when we have the experience and the resources to do so much better?

On New Year's Eve, foreign affairs and the economy can be left for another day, though the message is the same. For the majority of people life in the 1980s is incomparably better than it was even a decade ago. There has been something approaching a cultural revolution. The oddity is the failure to appreciate it.

Start with the women's movement. The role of women in society today is quite different from what it was 20 or 30 years before. They have moved towards an accepted equality which the suffragists never even thought of. What the suffragettes wanted was that privileged women should have some of the rights of privileged men. Mrs Pankhurst died voting Tory. Today the approach to equality goes all the way down the line.

Related to that has been the decline in drudgery, which is a revolution in itself. In 1970 *Social Trends*, an annual publication of the British Central Statistical Office, did not even attempt to record the number of households which possessed a deep-freezer. The latest edition says that in 1979 the figure was 47 per cent. Households with a refrigerator rose from 66 per cent to 92 per cent over the period—almost as common as a kitchen sink.

Clear trend

The statistics still do not include dishwashers which, after washing machines, must have brought about one of the greatest changes in household practices of all time. A generation is now growing up which seldom sees a dish washed by hand.

Yet even if the dishwasher revolution has still to arrive in Britain, the trend is clear. Life has become incomparably easier. You do not have to shop every day, because you can store things in the fridge-freezer. It is easier to keep the place clean. You can be more efficient with considerably less effort, and less time.

The 20 hours a week, which according to *Social Trends* is the average time that people spend watching television, may be educational, entertaining, a relief from boredom or any mixture of the three. But the point is that the option didn't even exist before. In the 1930s and earlier people used to write about that as a vision of the future. Now it has happened.

And the trend will continue. The compilers of *Social Trends*, who ought to be kicking themselves for ignoring dishwashers and calculators this year, should be preparing to include household computers if not by 1985, certainly by 1990.

There is other evidence of fundamental change. The preliminary results of the 1981 census record that the population of Greater London was less than seven million for the first time since 1901. The three areas of England with the largest population gains were the South West, East Anglia and the East Midlands. None of those regions has a major industrial conurbation.

Again, the conclusion must be that this is a conscious choice. People are moving out of cities, out of the old industries in order to enjoy the greater space and greater opportunities for leisure afforded by the rural and suburban areas, and by modern technology. Yet the fashionable cry remains that we are cursed rather than blessed by "de-industrialisation."

The arts

Nowhere is the change more apparent than in the approach to the arts in their widest sense. Local authority expenditure on leisure and recreation has continued to rise, in spite of financial stringency. They include urban parks and open spaces, swimming pools and art galleries and museums. Attendances at football matches may be down, but visitors to the Science Museum almost tripled over the decade and at the Royal Academy, they quadrupled.

There has also been the growth of commercial sponsorship. It was a tobacco company that saved professional cricket and which introduced the added pleasure of the one day game at the highest level. Other companies are beginning to do as much for the arts. In spite of recession, direct financial help for the arts from business this year rose by nearly 20 per cent to around £6m.

Yet there are warning signs that we do not appreciate the significance of what has been happening. *Social Trends* contains a table showing the development of public expenditure on the arts, libraries and museums over the years. 1979-80 equals 100. For 1978-79 the figure was 97, and for 1975-76 93. The projection for 1981-82 is 89. There is no way in which business will pick up that bill.

There is also a paper circulating within the Education Department which notes with alarm that expenditure on books and equipment per pupil in the schools has been falling steadily: this crisis could become worse as existing stocks wear out.

Investment

The lessons are clear enough. Investment in education is investment in the future. It is also investment in human development. People now have the opportunity of having more leisure than ever before and the arts will play an increasingly larger role in society. Education helps appreciation.

Problems remain, of course: the pockets of poverty and deprivation, but they can be isolated and dealt with, much as Lord Scarman in his report identified the problems of Brixton.

At least until recently, we had been doing rather well, even if we hadn't noticed it. It would be a pity if we were to start going backwards now without realising how far we have come. Modern technology, the arts, and a civilised society can go very well together.

POLITICS TODAY

The change is here to stay

By Malcolm Rutherford

BY ANY standards, 1981 was a year to remember in British political history, even if the changes that seemed to take effect have yet to work themselves out.

A year ago, there was no Social Democratic Party. Today, in alliance with the Liberals, the SDP leads the opinion polls by a handsome margin. There must now be a reasonable chance that the Alliance will win the next general election outright.

A year ago, again, there were predictions that the Conservative Government would become so electorally unpopular that it would inevitably be succeeded by a Labour Party led from the Left. Today it is the Labour Party that is in trouble. There are even suggestions that we are moving towards a new two-party system composed of the Tories and the Alliance: Labour could become much like the French Communist Party, taking no more than 20 per cent of the vote.

One could go on. Last summer there were riots in some of our most famous inner cities. Today the situation is relatively quiet, despite the fact that unemployment continues inexorably to rise. Yet those examples alone should be enough to convey the flavour of a year whose outcome few people could have predicted.

Not one of the changes was inevitable. To take the Labour Party first: one of the most poignant political remarks of the year came from a left-wing member of the National Executive Committee who said: "*Perhaps we should have voted for Denis Healey after all, in the interests of party unity.*"

If Mr Healey had been elected leader of the Labour Party in November last year, there would still have been a bloody battle. But it would have been a battle of a different kind. Almost certainly there would have been no SDP. Mrs Shirley Williams, Dr David Owen and Mr William Rodgers would have stayed to fight from within as Mr Healey strove to drive out the Far Left and to equip the party for the last part of the 20th century.

As it was, even the victory of Mr Michael Foot meant only that battle was postponed until after the SDP had bolted. Mr Foot is now engaged in a conflict with the Left whom he first sought to placate and with whose policies he remains more or less in agreement. His chances of putting the party into modern dress in time to win the general election are remote.

Talk of Mr Foot resigning to make way for (say) Mr Peter Shore overlooks the fact that the Labour Party is now stuck with the cumbersome electoral machinery established over the last year or two. There is no certainty that Mr Shore would get the succession, that the Left would cease fighting, or that he would be in any position to put the party into shape if he did win.

At least as good a team as any from the Tories or Labour

Here the historical trend begins to show. The Labour Party's share of the vote has been declining fairly steadily over the years: from 48.8 per cent—its highest ever, though it lost the election—in 1951 to 36.9 per cent in 1979.

Again, there was nothing inevitable about it. Other left-wing parties, in other countries, have seen their support go down and have recovered: the Social Democrats in West Germany are perhaps the most notable example. Nor is there anything to be ashamed of in seeking to adapt policies to modern conditions, some of which the Left deserves great credit for helping to bring about. Yet what distinguished the British Labour Party in 1981 was the attempt to face the future by retreating into the past.

That fact alone goes some way to explaining the rise of the SDP. But it is not enough. It was not only the Labour vote that was declining over the years; it was the aggregate vote for the two major parties. In 1951 Tories and Labour between them polled 96.8 per cent. In the two general elections of 1974 the figure was down to 75 per cent.

Much of the disaffected vote went to the Liberals, especially in by-elections. Yet the Liberals had two main disadvantages. They had few nationally known figures, and none with experience of government. In general elections they suffered from the general belief that a Liberal vote was a wasted vote because of the absence of proportional representation.

However, even in a relatively bad year—the general election of 1979—the Liberals still polled 14 per cent. If a new party could bring its own support, and build on that, there was a strong chance that it would be in business. The Social Democrats have done just that. They brought the nationally known politicians—at least as good a team as any collection from either the Tory or the Labour front bench—and they have benefited from the Liberal Party's organisation on the ground.

There is one key qualification. It must be an alliance, preferably with a capital "A." The Liberals and Social Democrats will tend to cancel each other out if they fight separately. But that apart, there is every reason to believe that the phenomenon will stick. The consistency of the opinion polls and the results of the parliamentary and local by-elections over the months bear that out.

There are other reasons for believing that the change is here to stay. One is the great social transformation that has come over the country in the past few decades, some of it again the product of reforms introduced by Labour governments. Britain no longer divides so readily on a class basis. Almost anyone who attended the SDP conferences last autumn must have been struck by the way members exuded a kind of professional classlessness: the same trait has been noticable in Liberal assemblies over the years.

With that goes a decline in the readiness to support either of the two main parties because of class background. There is also the disillusion with successive governments, a feeling that too much has been promised and too little delivered.

At its best, the new social democracy is an attempt to put reason back into politics, to define problems and to seek to resolve them in a rational way. Mrs Williams wrote in her book, Politics is for People: "The commitment to persuasion is the essence of social democracy." And Dr Owen, quoting a Polish professor now at Oxford, described the social democratic idea as follows: "It is an obstinate will to erode by inches the conditions which produce avoidable suffering, oppression, hunger, wars, racial and national hatred, insatiable greed and vindictive envy."

In political terms, no doubt that is what Mr Roy Jenkins, the real founder of the party, means when he warns of the danger of "manifestoitis," the habit of making too many specific commitments before you see the situation that you inherit.

Where then does that leave the Conservative Party, not much more than two years before a general election, way down in the opinion polls and with the economy still in the dumps?

There are some older Tories who towards the end of this year began to heave sighs of relief. The country, they concluded, will not pass to Mr Tony Benn and the Conservative Party will survive, even if it loses the election. That is the long view. Others fear for their seats.

It seems to me that we should not overlook a certain continuity between the rise of Mrs Thatcher's Toryism and the emergence of the SDP. Mrs Thatcher sought to break new ground by appealing to the council estates and by going for the votes of trade unionists discontented with the Labour Party. She has also tried to introduce market economics. Borrowing a phrase from the Social Democrats, she calls it "breaking the mould" of post-war politics. And indeed the policy aims of the two parties have a great deal in common: Europe, the Atlantic Alliance, taming the unions and coping with the nationalised industries.

Social change has affected the Tory Party, too. It is no longer the party which Mrs Thatcher inherited, nor is it the Cabinet that she named in 1979. The grandees are going out and a political generation of rich, landed paternalists is passing, probably never to be replaced. They have been succeeded by a group of bourgeois meritocrats: Mr Leon Brittan, Mr Norman Fowler, Mr Patrick Jenkin, all of them Mrs Thatcher's people. Perhaps the most remarkable change of all was the appointment of Mr Norman Tebbit as Secretary of State for Employment, a Tory who worked himself up through the ranks.

The unions remain the conundrum on the scene

Whether the Conservatives recover in time for the election lies largely in their own hands. They will not do so if they are not a united party. Recently there has been a change here. The Cabinet has gone relatively quiet while the back-benchers have become more restless, though even in the Cabinet it may still be the calm before the storm.

The battle is on to shape the Budget next March, which will in turn help to shape Tory fortunes in the long run-up to judgment at the polls.

There are three obvious signposts. One is the Budget itself. If it is contractionary, or at best neutral, I doubt whether party patience will hold. Another is the local elections in May where the Alliance could sweep the board, thus further damaging Tory morale. The third is the unemployment figures. If they are still rising next spring, the Government's recovery will begin to require a miracle.

Yet nothing that has happened in the past two or three years suggests that Mrs. Thatcher's reading of the country in 1979 was fundamentally wrong. There is a yearning for greater efficiency for less bureaucracy, for a halt to the country's relative economic decline. The rise of the SDP is the proof of that. The present Government may not have been very successful, but at least it has identified some of the problems.

As for the SDP, it will be tested more closely as the election approaches. It is unfair to say it has no policies, but what is unknown is how it would apply them to particular cases: for example, the miners threatening to strike if they cannot have well over the going rate of public sector pay settlements.

That is really what much of the business of government is about. It has little to do with reason or carefully prepared manifestos. And indeed at a time of great social and political change the unions remain the conundrum on the scene. No party knows what to do about them, and they have yet to decide themselves what, if anything, to do about the Labour Party.

Meanwhile, there is one other way in which Britain has changed, if not perhaps entirely to Mrs Thatcher's liking. Historians may look back on the early 1980s as the period when the country finally came to terms with being a medium-sized power.

It is not just that we now do 43 per cent of our trade with the European Community as against less than 30 per cent a decade ago, or that a recent opinion poll showed 92 per cent of SDP activists in favour of membership. It is rather that a whole habit of mind has changed. British foreign policy is no longer conducted through Washington, but through Europe. We no longer hanker after a special relationship or a special role in the world. We are beginning to be content with our status. That surely is an achievement of a kind.

Men & Matters

Wolff's tale

As from today one particular Wolff will no longer be at the door of the London Metal Exchange. After 51 years, during which he has become perhaps the best-known metal trader in the world, Fred Wolff is retiring.

At the age of 70, he leaves the chair of metal and commodity brokers Rudolf Wolff, a founder-member of the Exchange in his grandfather's day more than a century ago.

The family firm has since been taken over by Noranda Mines of Canada, and Wolff will be succeeded by his old friend and former Lord Mayor of London Sir Peter Gadsden as non-executive chairman. One family link will remain, however, in the shape of managing director Francis Holford, who is married to Wolff's eldest daughter.

The gregarious Wolff had a more glistening start in the metal business than most. After taking the AAA 440 yds championship in 1933, he went on three years later to win an Olympic gold medal at the Berlin Games as a member of Britain's 400 metres relay team.

"We had a slap-happy approach to athletics then," he says. "I remember an American athlete saying he wished they could run for fun like we did."

But base metal was business. He became a partner in the firm in 1951 and took over as chairman in 1965. "The Exchange has changed considerably since the early days," he says. "It is much more sophisticated—and much less speculative."

He was chairman of the LME's Committee from 1970-77 and did much to gain political recognition of its importance for invisible exports. His personal services to the same ends were rewarded with the CBE in 1975.

Another plaice

Bernard Walsh, founder of Wheeler's Restaurants, once said that if he had discovered the City earlier in his career he would not have been nearly so bothered about the West End.

As it is, two of Wheeler's 13 specialist fish restaurants are now in the City. But the attractions of the pinstriped appetite evidently persist, for a third Wheeler's is soon to beopened hard by St Paul's.

The former City Cavern Club in Foster Lane has been bought for £146,000, and is being kitted out in traditional Wheeler's style for opening in the next month or two.

I was a little surprise that a lunchtimes-only City trade could be as attractive to Wheeler's as the West End. But Ronnie Emannuel, who succeeded as chairman when Walsh died in May, assures me that, where bankers and stockbrokers are in the offing, five good lunches a week makes sound commercial sense.

Maple leave

Whatever skills the new Polish regime may have perfected during its first couple of weeks of repression, personnel recruitment does not seem to be among them.

A planeload of 64 sailors flew out from Poland to Canada earlier this week to replace crewmen who have defected from ships in Vancouver harbour. No sooner had the plane landed than four of the replacements decided that they too would defect.

"I cannot stay there under a military, fascist and Bolshevik government, I want to live in freedom," said one of the quartet yesterday. The Polish people, he said, "are slaves. There is no freedom . . . We cannot walk around, nothing, because we are always asked what we are doing." Another of the defectors estimated that perhaps as many as 50 of the 64 seamen might decide to do a bunk rather than join their ships.

Canadian immigration officials are said to have "had no immediate comment on the incident." No doubt General Jaruzelski could have supplied one quite readily.

Seeds of hope

"For the one who *doesn't* have everything. That's you. You dream a lot, but what do you have besides a 16 per cent mortgage, a runny-nosed kid, a clogged-up sink and a car that delivers a big eight miles to the gallon, a cabinet full of antacids and an empty Scotch bottle?

"Well, yearn no more, friend. Dig up the crabgrass next to the carport that needs painting and plant some Fantasy Seeds. Grow your own car, mistress, furs, tropic island, mansion, etcetera. Or if your fantasy is embarrassing or illegal, then plant our special personal and confidential fantasy seeds. These we won't discuss. We don't want trouble from the vice squad."

Those were the instructions on a packet of seeds labelled "Grow Your Own Gold" which arrived in the post yesterday. If this were the beginning of a science fiction story, I might hope to be in for a jolly new year. As it is, I am inclined to think that the Hornsby Seed Company has found itself a neat little novelty seller at around 50p a packet. The seeds are available in 12 varieties—others in addition to those mentioned include grow your own oilwell, yacht and golf course seeds.

Hornsby's Jim Dooley did not sound like a man endowed with supernatural powers when I rang him up to ask how long the Krugerrands would take to blossom. So, I wondered, was he not perhaps chancing his arm with the Trades Descriptions Act?

I had not read the small print, he explained. And there, in sad little letters, was the following dampener at the bottom of the packet. "Fantasy Seeds are pure fantasy, but if you sow them after danger of frost is past and cover seed ¼" deep, and pay attention instead of daydreaming, you might get some sunflowers." Thanks a bundle, Jim.

Knitting pearl

The first Press release to carry a 1982 dateline landed prematurely on my desk yesterday—and what a story it has to tell: "New Company Excites Warp Knitting Market" thunders the headline. It's obviously going to be quite a year.

Observer

ECONOMIC VIEWPOINT

Some sure predictions for 1982

By Samuel Brittan

"Adam Smith did not prophesy what Gross National Product would be five quarters ahead; David Ricardo did not pontificate on how unemployment would move in the third quarter of the coming year; and Marshall, Taussig, John Bates Clark, and Wesley Mitchel did not give their opinion to the press as to the exact month in the coming year when short-term interest rates would peak.

"Much of what today passes for economic prophesy is simply a modern version of the ancient practice of reading animals' entrails to forecast the future. I have the impression that this shift from economists analysing the result of a change in an economic variable to the modern form of entrail reading is largely a growth of the last quarter century. I suspect that it has a tenuous connection with the notion that if you feed enough figures through a million-dollar computer you must get a worthwhile result—sort of a capitalist version of the labour theory of value. . . .

"A final reason why economists are not as useful as they might be is the lack of historical perspective in so much of their predictions. This is particularly true with those whose employment, or whose love of seeing their names in the paper, requires that when reporters shove microphones at them and ask, 'Doctor, what do you think the prime rate will be in June 1982?' or 'Professor, how will GNP in the fourth quarter of 1981 compare with that in the first quarter of 1982?' they come up with an instant answer.

"It is amazing how much of this short order economics is being fed to the American public, and how the public, even when what they are fed turns sour, eagerly ask for more of the same. This situation is due in large part to belief that economics is a 'hard science' that has thrown off the shackles of history and of its social science past, and can provide the right answers if the computers are big enough and the software sufficiently sophisticated.

"I am not criticising such work. I am simply asking that the printouts be put in historical perspective. The history of ministers of finance who for the past two centuries have proclaimed that budgetary deficit or monetary expansion has nothing to do with rising prices should provide a useful background against which to interpret a computer printout of 1981 that says that if you give taxpayers more money to spend this will lead to lower prices."

Frank Whitson Fetter.
History of Economics Society Bulletin,
Summer 1981.

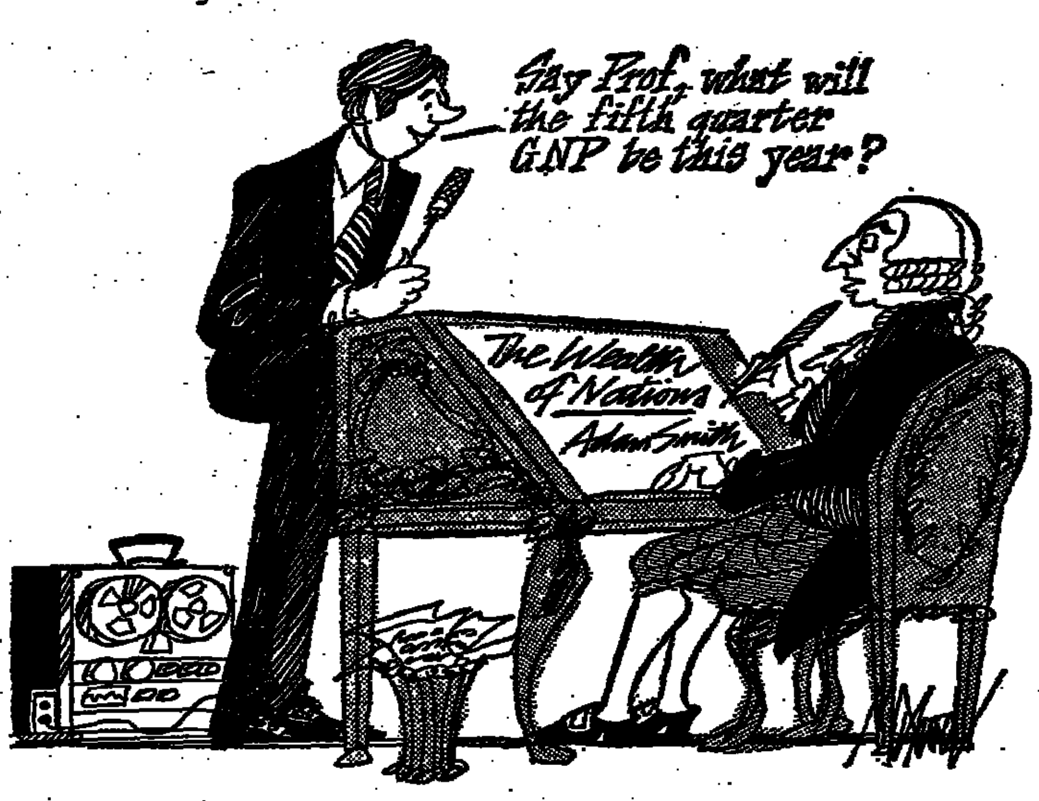
THE KINDEST joke I know about economists dates back to the time of John Maynard Keynes. Whenever two economists were gathered together, we were told, at least three opinions were expressed — two of which were Keynes's.

The unkindest one simply asks what should happen if all the economists in the world were laid out end-to-end. The reply is that they should be left there.

It is also said that the secret of Austria's economic miracle in combining low inflation with full employment, when other countries are suffering from stagflation, is that the country has exported most of its top economists. As the original author of the remark told me the other day that there were signs of the miracle coming to an end, I take it that the economists have started to come back. Or perhaps some Polish economists are being infiltrated in together with the refugees.

But the subject is not entirely flippant. A former chairman of the U.S. Council of Economic Advisers, Professor Herbert Stein, has suggested three lines to avoid in introducing an economist. The first is that economics is the dismal science, the second is to call for a one-handed practitioner (who will not say "On the one hand . . . on the other hand), and thirdly to say that economists never agree.

According to Stein, economics is regarded as dismal only because it points to the existence of limits. But it is no more dismal than geometry which—despite all pleas to be flexible and newspaper headlines about pressure from the "wets"—still insists that the square on the hypotenuse cannot exceed the sum of the squares of the other two sides.



The trouble with economists, he says, is not that they disagree but they agree too much. There is, however, wisdom in this clustering. If the economy does anything unusual or unexpected, most forecasters are going to be wrong. It would be best, for one's reputation, to be right alone. But since this is rarely possible, it is better to be right in company or wrong in company than wrong alone.

The following predictions for 1982 are ones which, short of earthquake, war or pestilence, are almost sure to be correct. I will first give the prophecies, before letting readers into the secret. Originally there were many more. But I lost most of them in a strike in a Rome hotel.

INTERNATIONAL

Central Bankers will call for greater stability in exchange rates in several speeches.

No major new initiative will be announced at the annual meeting of the International Monetary Fund next autumn.

There will be at least one further realignment in the European Monetary System (EMS).

BRITISH POLICY

The 1982 Budget will be criticised by some Conservative MPs for not doing enough to stimulate the economy.

The Finance Bill, as such, will not be defeated in the House of Commons, although amendments will be carried, some of them proposed by Treasury Ministers.

The Chancellor of the Exchequer will introduce at least one other major economic package in 1982, apart from his spring Budget.

Senior economists will issue statements attacking British Government economic policy and insisting that there is an alternative.

The Cambridge Economic Policy Group will propose alternative policies which will include import controls.

More public sector wage settlements will be made at above the Government's 4 per cent pay guidelines.

Taking 1975 as 100 UK real GDP for 1982 will be within 5 points on either side of 105. (This is also the present estimate for 1981.)

POLITICAL

The Liberal-SDP Alliance will score more by-election successes.

Labour leaders will appeal for unity in the face of a coming General Election.

Conservative support will begin to recover in the poll ratings at some time in 1982.

UNITED STATES

U.S. interest rates will fall and rise, and fall and rise several times in the course of the coming year.

Taking 1981 as 100, U.S. GDP will be between 95 and 105 in 1982.

The secret of these predictions is to observe some established regularity, not quite as obvious as the daily sunrise but pretty well established all the same, and predict that it will recur in the coming year. Central bankers' speeches on exchange rate stability and the non-event of the IMF conference come into this category. So does the non-observance of the pay limits on public sector settlements. In the same category comes the prediction of continued SDP or Liberal by-election success.

The EMS realignment is a shade more risky. But although historical precedent is shorter—the system having started only in 1979—the strong divergences in inflation rates and monetary policies among members makes the prophecy reasonably good.

Some of the other British predictions are really cast-iron. Can you imagine *any* Budget being sufficient to satisfy the more clamorous Conservative "wets"? And can you remember any recent year without a major economic statement, outside the Budget, often called a package or mini-Budget by the Press, despite the Treasury's attempts to play it down? The predictions about British economists are money for jam. However difficult it is to forecast the economy, you can always forecast what some economists will be saying.

The secret of the two quantitative predictions about the British and American GDP is that if you forecast levels instead of changes, you can easily be within 5 per cent of the right amount. (And why shouldn't you? We are all so obsessed by small increments that we forget the actual totals.)

These predictions also take account that at the end of 1981, we know the level-out output at which the New Year will begin. Changes within 1982 will therefore have to be extremely drastic to make the average for the year very different.

One conclusion from the above examples might be that what you can forecast is not what you want to know; and what you want to know you cannot forecast.

As a final comment on the role of forecasting in actual performance, I can do no better than return to Professor Fetter for the following true story:

"Recently one of the great universities of America celebrated the centenary of its establishment of the country's first collegiate school of business. This school has developed one of the most sophisticated of economic forecasting models, and one of its professors, who played a major role in building the model, is a Nobel laureate in economics. Yet a recent survey of the portfolio experience of 94 American colleges and universities for the ten years ending June 1978 showed that this institution had the poorest investment record of any of the 94 institutions."

Lombard

A chill wind in the willows

By Nicholas Colchester

IT WAS a bitter New Year's eve on the riverbank. Mole Mitterrand, Ratty Thatcher and Badger Schmidt sat in Ratty's house on the embankment, huddled round the wireless. The news from the Wild Wood was so bad they were almost oblivious of the celebrations outside.

Suddenly the door burst open and in swaggered Toady Reagan resplendent in a red-and-yellow check hacking jacket, mauve plus-fours and white shoes.

"I say fellows," he announced, "you must get out of this dreary little house, so nice in its way, Ratty, and come over to Toad Hall, for a New Year celebration. . . ."

"Toad!," cried the Water Rat sharply. "Come over? Celebration? Haven't you heard what has happened? Haven't you heard how some of the stoats in the Wild Wood tried to become Riverbankers and how they've been brutally stopped by other stoats backed by ferrets and weasels? None of us know exactly what's going on there, Toady, but I'm sure chief weasel Brezhnev is behind it."

"Is he indeed," blustered Toad, already swelling visibly, "well I'll jolly soon see about that. I'll go straight over to the Wild Wood myself with by biggest stick and whack'em and whack'em and whack'em!"

Toad jumped around the room launching imaginary sanctions against the Wild Wooders. Mole Mitterrand unexpectedly followed him. He had only recently surfaced from a long period underground and was rather overwhelmed by Riverbank life. An underground part of him sympathised with the wild wooders, but the emerging part of him was loyal to his new friends. He was taken with Toad's bravadc

Badger Schmidt rose ponderously from his comfortable arm chair and laid a restraining paw on the shoulder of the prancing Toad. "Vain, excitable creature!" he said reprovingly. "I knew your father Jimmy and your Grandfather Gerald and I remind you today of what I told them before. Toad Hall may be set at a conveniently safe distance from the Wild Wood, but I live directly under it. I must live with the Wild Wooders, live and let live, talk with 'em and trade with 'em, bad hats though many of them are. You will only whack the Wild Wood, Toad, by whacking me."

Toad seemed suitably chastened by the Badger's solemn words and though he continued to make strange suppressed noises inside him, poop-p-p and boom-m-m and other sounds resembling stifled snorts or the opening of soda water bottles, he said, quite nicely and humly, "Quite right Badger! How sound you always are!" and ceased his capering with an almost suspicious humility.

Yet, though it was most unusual and not something the other animals would ever tell him, the events this time bore out Toad and not the sound and sober Badger. As the day wore on the reports from the Wild Wood became graver and graver until even the experienced Badger could no lonner persuade himself that he'd seen it all before, that the Wild Wooders had to be left to sort themselves out and that the trade in food for fuel could go on as if nothing had happened.

Toad began again to inflate and to make threatening noises. Mole and Ratty whispered unhappily to one another. The Badger remained sunk in thought. It was true that the Wild Wooders would go hungry without the Riverbank's support. It was true this would learn 'em for behaving so brutally. But the thought of cold war against hungry wild wooders filled him with foreboding.

At length the Badger reached his decision. His hour had come. Taking stick, cap and muffler he left Ratty's house without a word and set off with purposeful stride towards the Wild Wood which lay before him, dense, menacing, compact, grimly set in vast white surroundings. He must talk with the Chief Stoat Jaruzelski, even the Chief Weasel if need be, and persuade them to moderate the represson and continue the reforms. Only thus could the fragile neighbourliness he had championed so long survive into the hard and hostile new year.

Letters to the Editor

Adequate safeguards for unwary investors' funds

From Mr R. Hargreaves

Sir, — Your report (December 19) on the failure of M. L. Doxford, the London commodity brokers, brings out the fact that Wilson, Smithett and Cope (Bankers) "continued to increase the size of its loans during the past two years" and that "as recently as August 28 Wilson, Smithett and Cope took a specific charge over some of the company's fixed assets and in October got personal guarantees of up to £175,000 from the directors."

Your message is that "investors need adequate safeguards to protect their funds . . . the individual investor (should) check out the company."

Surely it is an impossibility for the individual investor to obtain such information as the pledging of fixed assets, constantly increasing borrowings and the giving of directors' guarantees. All such things are done in the quiet of banking sanctums. Charges on assets are registrable, but it is sometimes too late for safety when an inquisitive and nervous investor obtains that information.

Would it not provide "adequate safeguards" for individuals and others if, as with issues of share capital and loan stock above certain limits, all loans and borrowings of a specified size and all borrowings involving the charging of assets should be subject to approval by creditors and shareholders at an EGM? In addition, if previously granted borrowing powers are exercised, full notification should be given at once.

It is far too easy to borrow providing banks get their charges on assets. Often the banks, as in this case, will be repaid in full if trouble ensues. Their interest is not the same as that of creditors and shareholders who must be given statutory control of all such transactions.

R. W. Hargreaves.
John Siddall and Son,
The Stock Exchange,
4, Norfolk Street, Manchester.

Outlook for the fine art trade in London

From Mr H. Leggatt

Sir. — Antony Thorncroft writes (December 24) that New York has "overtaken London as the leading antiques centre." With respect, I believe that London is still the centre of the antique and fine art trade of the world. But what of the future?

The never-ending dispute between Sotheby's and Christie's on the one hand and the art dealers on the other over the auctioneers' premium charge to their buyers could well have the consequence of impairing confidence among both buyers and sellers of works of art.

The fact that one auctioneer is now adjusting the rate of premium is irrelevant; what is at issue is the principle of whether it is proper to exact any surcharge at all upon the buyers to say nothing of the highly controversial circumstances of its introduction in 1975. What also is of concern is that two of the three art trade organisations together with the two leading auctioneers are assuming the role of jury and judge on an issue which also materially affects the general public—not forgetting our museums and galleries.

Since Mr Gordon Borrie, the director-general of fair trading, has been and is still involved in this issue, would it not be right for the auctioneers and dealers' associations no longer to withhold the full facts in their possession relating to the dispute? If prompt action is not now taken, a serious erosion of business confidence will inevitably ensue.

Hugh Leggatt.
Leggatt Brothers,
17, Duke Street,
St James's, SW1.

Skeletal transport in London

From Dr J. Whitelegg

Sir,—The decision of the Law Lords on Greater London Council's cheap fares scheme is a serious blow to those who had hoped that Britain's urban public transport systems could break out of the nonsensical straitjacket imposed by the assumption that users should bear a large proportion of the costs. The arguments against this view have been well rehearsed in your editorials and reflect basic commonsense and economic reality.

If London can function effectively with a skeletal and unreliable transport system then the decision has some merit. If it cannot then the decision is based on the worst possible combination of legal fudging and misunderstanding of the role of resource allocation in the transport sector of the economy. One wonders if the same logic will be applied at some stage to central government subsidy of private housing or to another large area of transport subsidy, the company car.

The decision is a bad one and it puts UK urban transport provision in a dangerously unstable position that will appear ludicrous to transport managers in France or West Germany. It also makes the law look a little bit silly and this cannot be a good thing.

There is an urgent need for central government to clarify the legal position and if appropriate make express provision for GLC to continue to apply its existing policy. The consequences of inaction will be disastrous for the GLC, transport users, the effective conduct of business in London and the future of local government as an important component in the democratic structure of the UK.

(Dr) John Whitelegg.
University of Lancaster,
Department of Geography,
Bailrigg, Lancaster.

Debt servicing burden

From the deputy chairman and chief executive National Bus Company.

Sir—National Bus Company was very interested to see the report of the Hundred Group on financing of state owned industries. Lex (December 16) accurately comments that "the present set-up is leading to harmful results such as the upward distortion of prices in some cases and the arbitrary curtailment of profitable investment projects in others."

From our experience we can add another harmful result, ie, the unnecessarily severe contraction of the business brought about by the ever-rising burden of interest charges. NBC itself suffers severely in this way.

Our financing arrangements date from the 1968 Transport Act and have remained unchanged since, despite the deteriorating trading environment which has resulted in relief being given on both the capital and revenue accounts of other transport operators.

NBC has no equity capital, but is required to pay interest on a notional value of £97.6m put upon it in 1969. It has also been required to repay this principal at the rate of £10m per annum. How many companies, even in the private sector, could totally repay their share capital in this way?

Needless to say NBC has had no alternative but to re-borrow when these tranches fall due for repayment each year. NBC has thus faced the burden of servicing its commencing capital debt at ever increasing rates of interest. This is equivalent to an annual dividend increase, even through periods of dividend restraint. Of course, unlike dividends, this has to be paid whatever the trading results of the company.

Whereas it is often thought that we have a soft option only having to "break even," the fundamental point is that this is after interest payments which are in fact guaranteed dividends. In essence our remit is to make a return sufficient to pay this inescapable dividend on the commencing capital debt—currently running in excess of 11 per cent.

The need to make these obligatory "dividend payments" whatever the circumstances, has inevitably contributed to the general increase in the borrowing of NBC, with the result that NBC subsidiaries now carry an interest burden of £20m per annum on the whole of the group's loan capital. This accounts for over 40 per cent of the grants given to NBC subsidiaries by county councils to support socially necessary but loss-making services—and the clear effect is that public money from one source is being used to service interest requirements of another, rather than maintain public transport services.

Were the general public clearly aware of NBC's financial remit it would surely question the relative priority of servicing a notional capital debt if set against the maintenance of adequate local bus networks.

Robert Brook.
National Bus Company,
25 New Street Square, EC4.

Local rates and business

From Mr J. Webb

Sir,—Surely there is an easier way forward than that suggested (December 21) by Brian Rigby, i.e. the bureaucratic solution of setting a ceiling on business rate increases. Eighteenth - century Boston, Mass., had a phrase for it—"No taxation without representation."

Let businesses vote as businesses in the election of local authority candidates.

J. S. Webb,
33, High Street,
Hampton, Middlesex.

UK COMPANY NEWS

New Court Resources declines

PRE-TAX PROFITS of New Court Natural Resources, an oil and gas property investment company whose shares are dealt in on the USM, declined from £437,000 to £344,000 for the six months to September 30 1981 although turnover for the period was well ahead at £1.02m, compared with £497,000.

The profit was after expenses of £503,000 (£283,000), depreciation of £376,000 (£110,000) and interest charges of £208,000 (£333,000). Tax took £144,000 (£253,000) after which stated earnings per 5p share were 0.82p (0.84p).

Oil and gas revenue during the period was substantially in excess of that achieved last year but investment income was lower, reflecting the progress made in utilising the company's liquid assets in the acquisition of U.S. oil and gas properties during the latter part of last year. The full benefit of these acquisitions should be realised as their development potential is exploited.

A "useful contribution" to profits in the second half of the year is expected from the group's participation in the drilling of development wells on its properties.

Negotiations for the acquisition of certain producing properties are currently taking place and other acquisition possibilities in the U.S. are being analysed.

YEARLINGS

Yearling bonds totalling £7.7m at 15½ per cent redeemable on January 5 1982 have been issued this week by the following local authorities.

Barking and Dagenham (London Borough of) £0.5m; Rotherham (Metropolitan Borough of) £1.5m; Worthing BC £0.5m; Hambleton DC £0.45m; Lambeth (London Borough of) £1m; Ogwr BC £0.25m; Rochdale (Metropolitan BC) £0.5m; Sandwell (Metropolitan Borough of) £1m; Ealing (London Borough of) £1.5m; West Yorkshire Metropolitan CC £0.5m.

Optimism not fulfilled at Arlen as year-end losses deepen

THE DIRECTORS of Arlen Electrical say that the optimism for the third quarter expressed in the interim statement did not materialise, and further losses were incurred in the remainder of the year from the manufacturing and marketing division. First year losses in the video division were greater than anticipated.

For the year to June 30 1981, the group plunged from pre-tax profits of £331,600 to a loss of £691,000 after interest charges up from £226,000 to £292,300. Turnover was lower at £7.26m compared with £8.1m. No final dividend is being paid against 1.5p, leaving the net interim of 1p (1.5p) the only payment.

There was a tax credit of £698,000 (£168,400 charge), leaving attributable profits at £41,000 (£162,600) after deducting pre-acquisition profits of £600 last time and crediting minority interests of £7,400 (nil) and extraordinary item £26,700 (nil).

Stated earnings per 25p share were 0.37p (4.7p).

The extraordinary item is the surplus on the disposal of a freehold property. As at June 30 1981 bank borrowings and hire purchase liabilities amounted to approximately £1.9m (£1.7m) and the directors say these remain at that level at the present time.

Arlen is principally engaged in the manufacture and marketing of fluorescent control gear and accessories, electrical wiring accessories and plastic components.

● comment

Losses at Arlen are accelerating. In the second half they amounted to £400,000 and the shares found a new low yesterday with a 5p fall to 18p. Arlen is now valued at just £700,000. Earlier this year the price was 52p and since the company reversed into Enalon Plastics at the beginning of 1979 the price has been up to 100p. But now Arlen is fighting for survival. The balance sheet will show borrowings of £1.9m propped up by only £1.6m of shareholders' funds excluding goodwill. A long hard look at some of the operations is under way and subsequent disposals or closures would be no surprise. The consumer product injection moulding business (the big electrical appliance makers are its customer base) is loosing money, fluorescent lighting is too and only the electrical wiring accessories business is showing any sign of coming off the bottom. The new video business lost the company £63,000 but that at least is now in the black and Arlen is hoping to buy out the minority (49 per cent) for its own paper. The annual report may give more details on the surgery planned but meantime the shares are lacking support.

ACTUARIES LINK

Fraser Watson Actuaries, the Canadian subsidiary of Duncan C. Fraser, a leading firm of UK consulting actuaries has linked up with Pouliot Guerard, the largest Canadian owned actuarial consultancy firm in the country.

Pouliot Guerard has purchased a substantial minority holding in Fraser Watson and is now an equal shareholder with Duncan C. Fraser. Under the new arrangements, Fraser Watson will have strengthened its position in Canada.

Watson & Philip rises and pays more

THE PREDICTION by Mr J. C. Hadden, chairman of Watson and Philip, foodstuffs distributor, in his 1980 statement that the results for the year to October 30 last would show some improvement has been borne out.

For the 12 months pre-tax profits emerged at £755,000, compared with 504,000, on turnover up from £72,117 to £81,767. At the interim stage taxable profits were lower at £206,000 (£279,000) but he again anticipated the full year figures would be better.

It is pointed out that the benefits of organisational changes and rationalisation put in hand during 1980-81 should become apparent in 1981-82. Some evidence of this is already showing in the results for the opening weeks of the current year.

However, the directors say it is rather early to give a clear indication of the likely outcome for the year, but provided there is no further deterioration in the overall economy they "would be disappointed" if pre-tax profits did not show some improvement over those for the period under review.

Even if the economy does not pick up soon, they say the group is in a better position than for some years.

Taxable profits for 1980-81 were struck after lower interest of £63,000 (£111,000). Tax took £147,000 (£232,000) but after an exceptional tax credit of £114,000 (£1.14m), minorities of £25,000 (£21,000) and an extraordinary debit of £102,000 (nil) the attributable balance came through at £645,000 (£1.44m).

Stated earnings per 10p share were well down at 8.9p (17.2p) after exceptional credits but an increased final dividend of 2.3p (2p) raises the net total by 0.3p to 3.3p.

CCA adjustments reduce the taxable surplus to £509,000 (£200,000).

Comenting on the results the directors say that part of the improvement came from more positive marketing in the cash and carry and import divisions. In the catering division, underlying progress was not fully reflected in the results because of losses in the branch which has now been closed.

J. F. Nash ahead at £624,000

TAXABLE PROFITS of J. F. Nash Securities advanced from an adjusted £331,000 to £624,000 for the year to September 30 1981 despite a decline in turnover to £14.14m, compared with £16.12m. The comparative figures have been restated to exclude the results of Reliant Motor, which was demerged in April.

The pre-tax figure was after interest of £207,000 (£488,000). Tax took £144,000 (£142,000) leaving the attributable profit well ahead at £480,000 (£193,000), before extraordinary credits of £16,000 (£546,000 debits).

Stated earnings per 25p share rose sharply from 4.5p to 11.3p but the final dividend is being reduced (as foreshadowed in the interim report) to 2.5p, which brings the net total down to 4p (6.5p).

All the group's activities showed a healthy increase in profit with the exception of a small loss at Dalkeith Press and a £106,000 deficit at Johnson Construction Machinery. Steps are being taken to improve margins at Johnson's in the current year.

It is proposed to change the name of the group to Nash Industries.

● comment

With Reliant Motor demerged and Somerset Brick sold, J. F. Nash is taking its first steps towards a profits recovery. A sharp drop in interest charges has allowed pre-tax profits to almost double with a very sharp increase coming through in the second half. The company's balance sheet now looks healthier than it has for a long time with capital gearing down to about a third. Yet the company remains acquisition minded. The packaging sector in particular is attractive to management who would not be adverse to going back to the banks to finance a purchase. As the group stands the one major headache is Johnson Construction Machinery—a maker of dumper trucks. Export orders are reasonable but the home market is looking sick. A new range will be launched in March and various overhead cuts will be made. Still the immediate outlook remains uncertain as does the packaging activities geared towards the UK defence industry. At 52p the yield of 11.5 per cent sums up a loose knitted conglomerate searching for direction.

First half fall at Philip Harris

A drop of £33,948 to £240,362 in pre-tax profits is reported by Philip Harris (Holdings) for the six months to September 30 1981. The directors say the results which include credits in respect of loss of profits following the fire at Shenstone, are a little lower than expected.

They say the effects of educational cutbacks throughout its markets are beginning to be felt in the science educational companies, and competition on the medical side remains extremely fierce.

Turnover of this scientific apparatus manufacturer rose from £7.79m to £8.45m. Tax took £124,988 (£142,641), leaving net profits down from £131,669 to £115,374. Stated earnings per 20p share are down from 4.05p to 3.54p. The interim dividend is unchanged at 1.45p—last year's total was 6.2p from pre-tax profits of £667,887 (£410,647).

Receivers called in by Nelson David

Nelson David, the vehicle retailer and repairer, has requested Barclays Bank to appoint Receivers and managers to the company "due to the company's financial position."

In March, Nelson David reported pre-tax losses of £112,000 for the half-year to September 1980. That compared with a profit of £84,000 in the previous first half-year.

At the beginning of December, Nelson David said that the results for the year ending March 31 1981 were not expected to be available until January 1982. The delay, it was said, had been caused by a reorganisation, now complete, of central administration.

Then, on Christmas Eve, the group's shares were suspended at the company's request, at 8½p, pending clarification of its position. The suspension price valued the group at £483,000.

The last annual report published by the group, covering the year to end-March 1980, showed it had 255 employees, mostly based in Swansea and Llanelli.

Barclays Bank has appointed Mr Michael A. Jordan and Mr Richard A. Stone of Cork Gully to act as Receivers and managers to the company.

Horsell rises to £0.7m and lifts interim

Pre-tax profits of the Frank Horsell Group, printing equipment manufacturer, recovered from £160,000 to £706,000 for the six months to September 30 1981 on turnover 15 per cent higher at £5.3m.

The group increased its market share worldwide, particularly in the U.S., through its newly-established associate, Horsell Graphic Industries, of Chicago, despite continuing depressed market conditions.

The directors, confident of continued growth, are stepping up the interim dividend to 1.5p (1p). The company's shares are traded on the market made by M. J. H. Nightingale and Company.

Armour Trust on £50,000 at halfway

Pre-tax profits of Armour Trust rose tenfold from £5,000 to £50,000 in the half-year to October 31 1981. Last year's figure was after exceptional debits of £74,000. Again no interim dividend is being paid—last year a final of 0.125p net was paid. First-half turnover was lower at £4.37m compared with £4.58m.

The directors of this holding company with interests in confectionery manufacturing and television retailing, say that Telesure has traded satisfactorily in the first half. The loan debtor provision made in last year's accounts is proving broadly sufficient for the actual experience of repossessions during the period.

Gross rentals of televisions have been above budget, but repossessions have also been higher than forecast. Carter Penguin Group, the confectionery arm, has had a difficult six months primarily due to losses by the subsidiary which makes specialised seasonal goods for wholesale and multiple retail customers.

The group's current trading is "reasonable."

There was again no tax charge

NEW LIFE BUSINESS

Mixed pattern at Pearl Assurance

A MIXED PATTERN of life and pensions business in 1981 is reported by the Pearl Assurance Company, with new annual premiums overall dropping back by just over 1 per cent from £43.8m to £43.2m, while single premiums advanced over 25 per cent from £12.1m to £15.4m, thanks to buoyant annuity sales during the year.

Annual premiums in the ordinary branch rose by 7 per cent from £15.9m to £17m. The whole of this growth came from sales of individual life contracts, where, backed by a TV advertising campaign, annual premiums leaped 20 per cent from £9.4m to £11.3m. Self-employed premiums declined by half from £3.4m to £2.2m. Unit-linked annual premiums rose slightly for assurances from £2.5m to £2.9m, but linked pension premiums remained unchanged at £600,000.

Linked-life single premium payments were one-fifth lower at £5.1m against £6.3m.

Business in the industrial branch was dull reflecting the trend as a whole in this sector of the life market, with annual premiums some 6 per cent lower at £26.2m against £27.9m.

Sums assured were unchanged at £870m with a slight rise in the ordinary branch from £520m to £532m being offset by a similar decline in the industrial branch from £349m to £338m.

RECORD NEW life and pensions business for 1981 is reported by the Scottish Life Assurance Company, with new annual premiums advancing 16 per cent from £11.3m to £13.1m and single premiums rising over 70 per cent from £11m to £19m. New sums assured climbed 9 per cent to reach £500m.

The most striking increase in annual premium business came in the sales of ordinary life business where sales rose by one-third to £5m. The company only transacts traditional life business and much of this success came from mortgage and remortgage business arising from the special arrangements with certain banks and with building societies.

The business also benefited from the introduction of more flexible with-profit contracts and the substantial bonus increase.

The company also had an excellent year for pensions business with single premiums for self-employed pensions almost doubling to £4m and group and individual pensions business rising nearly 80 per cent to £15m.

Much of this latter growth came from other pension schemes using the open market facility to purchase annuities from Scottish Life. The company's annuity rates have been very competitive throughout 1981.

Annual premium business on group and individual pensions was the only dull spot, with premiums improving by just over 6 per cent from £7.4m to £7.9m, reflecting the effects of the recession on employment and salary levels.

London Life Association is maintaining its terminal bonus rates on all its main classes of with-profit business for death claims, maturities and pensions which become payable during the first half of 1982.

On the main life and pensions system, the rate is kept at 45 per cent of attaching bonuses, but the maximum bonus is increased slightly from 70 per cent to 76 per cent of the basic benefit. On pension business under the simple bonus series, the rate remains at 31 per cent of existing bonuses. The rates on the reduction of premium series also stays unchanged.

The company still bases its terminal bonus rates on the capital movements within its underlying equity and property portfolio, rather than on general investment performance, the basis used by many life companies.

It considered that capital appreciation in the second half of 1981 was around the same level as in the first half and thus maintained the rate.

SPAIN

December 30	Price %	+ or −
Banco Bilbao	335	
Banco Central	335	
Banco Exterior	303	
Banco Hispano	325	
Banco Ind. Cat.	115	
Banco Santander	347	
Banco Urquijo	214	
Banco Vizcaya	355	
Banco Zaragoza	220	+4
Dragados	124	+6
Espanola Zinc	60	
Fecsa	64.7	−0.2
Gal. Preciados	43	+1
Hidrola	76.5	+2.5
Iberduero	58	+1
Petroleos	89.5	+2.5
Petroliber	101	
Sogefisa	40	
Telefonica	73	
Union Elect.	72	+1

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Armour Trust ......int.	Nil	—	Nil	—	0.13
Arlen Elect.	Nil	—	1.5	1	3
Philip Harris ......int.	1.45	Jan 28	1.45	—	6.2
J. F. Nash	2.5	—	3.5	4	6.5
Watson and Philip	2.3	—	2	3.3	3

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

CORAL INDEX
Close 528-533 (+7)

THE TRING HALL USM INDEX
118.0 (+0.2)
close of business 30/12/81
BASE RATE 10/11/80 100
Tel.: 01-638 1591

BIDS AND DEALS

Small majority back Jenks bid for Elliott

Jenks and Cattell, the West Midlands garden tools manufacturer, narrowly won the approval of its shareholders for its takeover of Elliott Group of Peterborough but saw its shares close down 16p on the day, at 44p.

At an extraordinary general meeting of the company 1.17m shares were cast in favour of the acquisition with 1.1m shares against it.

Shareholders opposing it included M and G Investment Management as well as Armstrong Equipment, the North Humberside company which still owns 28.8 per cent of Jenks and Cattell after an unsuccessful bid for the company in 1979.

Mr Harry Hooper, Armstrong's chairman, said yesterday that in addition to being "somewhat concerned" about the commercial prospects for the combined companies, he was also unhappy about the circumstances of the takeover.

"We are not happy and we think it is a messy situation," said Mr Hooper. Through its advisers, Lazards, Armstrong has requested the Take Over Panel to look into some aspects of dealings in Jenks' shares over the last 12 months.

Shareholders approving the take over included Mr Carl Chow, a former director of Elliott who earlier joined the rest of the board in urging Elliott shareholders to reject the share offer made by Jenks and Cattell. Mr Chow accepted the share offer, ignoring a cash alternative, before yesterday's meeting.

Mr Chow yesterday made it clear that, contrary to Press reports before Christmas, he made his decision to accept the share alternative quite independently and was in no way influenced by Bone Fitzgerald, brokers to Jenks and Cattell.

In a personal Press release, Mr Chow also said that reports of his removal from Elliott's board were "without foundation." The board of Elliott's announced on December 23 that it had voted him out as a director.

Acceptances representing 52.1 per cent of Elliott's shares have so far been received by Jenks with 50.3 per cent of the shares being exchanged for the Jenks and Cattell shares on offer.

If this trend continued, said Mr T. D. Leece, Jenks' managing director, the company's cash outlay on the acquisition would not be more than £200,000. Mr Robin Jenks, the chairman, said the company now had "a golden opportunity to diversify."

LONDON TRADED OPTIONS

Dec. 30. Total Contracts 485. Calls 426, Puts 59.

Option	Exercise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP (c)	330	—	—	20	60	36	—	318p
BP (c)	300	5	—	16	60	19	—	"
Ctlds. (c)	60	16	4	20	—	22	—	75p
Ctlds. (c)	80	2½	—	4½	4	8	—	"
GEC (c)	750	82	7	104	2	132	—	827p
GEC (c)	800	35	28	63	24	87	2	"
GEC (c)	850	9	30	32	50	52	—	"
GEC (p)	800	8	1	18	29	30	—	"
Gr'd Met. (c)	180	12	10	17	—	25	—	189p
ICI (c)	260	34	2	46	—	54	—	290p
ICI (c)	280	15	35	28	—	44	—	"
ICI (c)	300	5	—	15	11	30	—	"
ICI (p)	260	3	—	8	—	11	10	"
ICI (p)	280	4	—	12	—	16	10	"
ICI (p)	300	16	25	20	—	24	10	"
Mks. & Sp. (c)	130	5	20	8½	—	14½	—	127p
Shell (c)	330	76	2	82	—	29	—	402p
Shell (c)	360	46	50	60	—	72	—	"
Shell (c)	390	18	57	36	60	48	—	"
Shell (c)	420	5	—	18	1	30	—	"
Shell (p)	330	1	—	6	60	6	—	"
Shell (p)	390	7	—	16	50	22	—	"
		February		May		August		
Barclays (c)	420	40	5	48	—	65	—	448p
Imperial (c)	60	14	5	15	—	16½	—	73p
Imperial (c)	70	6½	13	8	21	11	32	"
Imperial (c)	80	2	—	3½	8	6	5	"
Lasmo (c)	460	20	5	37	—	57	—	429p
Lonrho (c)	70	9	58	12	1	14	—	78p
Lonrho (c)	80	3½	20	6½	33	9	—	"
Lonrho (c)	90	1½	—	3	—	4	2	"
Lonrho (p)	70	2	—	4	60	8	—	"
Lonrho (p)	80	7	23	10	—	14	2	"
Racal (c)	390	58	4	73	2	87	—	433p
Racal (c)	460	13	—	30	1	43	—	"
Racal (p)	360	1	—	8	25	—	—	"
RTZ (c)	420	44	3	62	—	80	—	442p
RTZ (c)	500	15	—	25	20	40	—	"
Vaal Rfs (c)	60	8½	10	9½	—	11½	1	$67
Vaal Rfs. (c)	70	2¾	—	5¼	3	8	—	"
Vaal Rfs. (p)	60	¾	10	5½	—	5	—	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$400	16	19	22	35	20	42	$398
GOLD C	$425	6	8.50	—	—	13	34.50	"
GOLD C	$450	5	2.50	—	—	—	—	"
GOLD C	$475	—	—	18	8.50	—	—	"
GOLD P	$375	29	6	—	—	—	—	"
GOLD P	$425	2	32	3	32	—	—	"
GOLD P	$450	5	52	—	—	—	—	"
12¼ NL 81 87-91								
C	F.102.50	—	—	—	—	2	5	F.106.30
P	F.105	—	—	140	1.40	—	—	"
10¼ NL 80.86-95								
C	F.97.50	—	—	100	1.40	—	—	F.96.60
		Jan.		April		July		
ABN C	F.300	—	—	1	5 A	—	—	F.283
ABN C	F.320	—	—	1	1.50	—	—	"
AKZO C	F.22.50	5	0.70	68	2.50	—	—	F.22.60
AKZO C	F.25	83	0.20	—	—	72	1.70	"
AKZO P	F.22.50	—	—	12	1.20	—	—	"
AKZO P	F.25	7	2.40	—	—	—	—	"
HEIN C	F.46	—	—	1	4.80	—	—	F.48
HEIN C	F.50	8	0.40	10	2.10	2	2.70	"
HOOG P	F.17.50	20	3	—	—	20	3.50	F.15.30
KLM C	F.90	49	5.80	5	12.30	—	—	F.94.90
KLM C	F.100	6	1	—	—	—	—	"
KLM C	F.110	49	0.30	31	4.80	10	8.50	"
KLM P	F.80	50	0.10	—	—	—	—	"
KLM P	F.90	1	0.80 A	61	2.50	—	—	"
KLM P	F.100	20	5.80 A	10	8.40 B	—	—	"
KLM P	F.110	1	15.30	—	—	—	—	"
NEDL C	F.140	8	1.80	11	8 B	—	—	F.139.40
NEDL C	F.150	10	0.20	—	—	—	—	"
NEDL P	F.130	5	0.20	35	1.50	—	—	"
NEDL P	F.140	54	1.20	2	5.80	—	—	"
NEDL P	F.160	1	20	—	—	—	—	"
PETR C	Fr.5000	—	—	10	370	—	—	Fr.4640
PHIL C	F.17.50	—	—	—	—	95	3.30	F.20.10
PHIL C	F.20	5	0.40	—	—	8	1.70	"
PHIL C	F22.50	—	—	57	0.60	80	0.80	"
PHIL C	F.25	—	—	10	0.20	—	—	"
PHIL P	F.20	5	0.40 A	8	0.70	60	1.20	"
RD C	F.80	115	7.80	42	10.50	—	—	F.86.90
RD C	F.90	13	0.90	351	5.20	10	6.40	"
RD C	F.100	—	—	69	1.90	10	3	"
RD P	F.70	—	—	4	0.30	—	—	"
RD P	F.80	2	0.10	—	—	18	3	"
RD P	F.90	13	3.60	30	5.50	—	—	"
UNIL C	F.150	5	1.90	5	7.80	—	—	F.149.20
UNIL C	F.160	—	—	13	3.50	—	—	"
UNIL P	F.140	—	—	28	1.50	—	—	"
UNIL P	F.150	—	—	8	5	—	—	"
		Feb.		May		Aug.		
SLUM C	$55	—	—	5	5½	—	—	$54⅞
VW C	DM.140	—	—	—	—	2	15	DM132

TOTAL VOLUME IN CONTRACTS: 2203

A=Asked B=Bid C=Call P=Put

MEPC in $46m purchase

MEPC, the second largest UK property development and investment group, has paid $46.5m for a 24-acre office park in Denver, Colorado.

The Denver office complex totals 618,000 sq ft of floorspace in eight buildings. Tenants of three office towers accounting for 406,000 sq ft include Citibank and several oil companies while the remainder of the accommodation, comprising low-rise offices, is 75 per cent let. Current gross income is about $7.1m a year.

The Denver purchase by MEPC follows investments made during the last year in Houston and Dallas. Of the total purchase price, $29.6m is funded by existing mortgages and the remaining $16.9m will be met from MEPC's cash balances following the $35m convertible bond issue last year.

MEPC also announced yesterday that it has let 102,000 sq ft of floorspace in its Eurohaus office building in Frankfurt to Wang, the American word processor group. The space in the 303,000 sq ft building has been vacated by AEG and the new letting is thought to be the largest commercial office transaction in West Germany during 1981. The rent roll of Eurohaus is DM 7m a year and other tenants include Exxon Office Systems, National Semiconductor and Nexos.

Charterhouse sells Alenco

Parker Hannifin Corporation, a U.S.-based supplier of components for fluid systems in industrial, automotive and aerospace markets, has acquired for around £5m most of the business of Alenco (Holdings), a wholly-owned subsidiary of the Charterhouse Group.

Alenco, whose turnover in the year ending December 31 1981 was £14m, manufactures industrial fittings and valves which are sold throughout Europe. The company's main manufacturing plant is in Barnstaple, north Devon, and its associate companies are in Aberdeen, Scotland; Oslo and Stavanger, Norway; and Naarden, Holland.

Alenco's subsidiary, Alenco Hälyn of Enfield, Middlesex, which manufactures high pressure elastomer wire-reinforced hose products, is not included in the transaction and remains a subsidiary of the Charterhouse Group. This subsidiary represents between £1m and £2m of the total turnover of Alenco.

Mr Robert C. Brand, president of Parker Europe, said: "This acquisition improves Parker's position in the European fluid power market and provides Alenco with an opportunity for profitable growth."

Sales of Parker, which is quoted on the New York stock exchange, for the year ending May 31 1981 were $1.11bn of which $161m were in Europe.

Charterhouse, an investment and banking company, said yesterday that Alenco "fits in better with Parker Hannifin than it does with us," and added that the sale represented part of its overall corporate strategy.

Kuwaitis expand interests

The Government of Kuwait, through the Kuwait Investment Office has been making substantial investments in British companies. It revealed yesterday that its stake in Powell Duffryn, the engineering to fuel distribution group, has risen to 8.08 per cent after a purchase of a further 2.53m shares in the company.

The Kuwaiti stake in Powell Duffryn reached 5 per cent in September and rose to 7.1 per cent earlier in December.

Powell Duffryn said yesterday that the company welcomed the Kuwaiti interest, and said that it understood that the share purchases represented part of the Kuwaitis' investment programme.

It was also revealed yesterday that the Kuwaitis have built up a stake of 5.02 per cent in Coats Patons, the cotton and synthetic threads producer. They have acquired 13.89m shares.

Gerrard and National, the discount house, announced this month that the Kuwait Investment Office holds a 5.6 per cent stake in the company. The Kuwaitis have other holdings in discount houses—a 10.4 per cent stake in Union Discount, and 8.5 per cent in Jessel Toynbee—and the stakes are regarded as long-term passive investments.

SHARE STAKES

Alexander Howden Group—Merrill Lynch Pierce Fenner Smith Inc of New York as a result of the purchase of 100,000 ordinary shares are interested in 4,600,000 ordinary shares (5.04 per cent).

Ferranti—Mr S. B. J. Z. de Ferranti, director, disposed of 25,000 ordinary (0.058 per cent) and now holds 1,261,830 ordinary (2.95 per cent).

Nurdin and Peacock—Company reports that a trust of which chairman Mr W. M. Peacock is a trustee, has sold 650,000 ordinary shares.

B & P stake in Braham is now 29.99%

Bath and Portland Group, the construction and civil engineering concern, said yesterday that including investments made by Bath and Portland Pension Fund Trustees, its stake in Braham Millar, the mechanical engineer, now stood at 29.99 per cent. Bath and Portland holds 3.47m shares while the trustees hold 300,000 shares.

Bath and Portland and Braham Millar said in November that they are anticipating a closer relationship which "will lead to beneficial trading opportunities in the future."

HANSON TRUST GIVEN GO-AHEAD

The Office of Fair Trading has indicated, in terms satisfactory to Hanson Trust, that it does not intend to refer Hanson's offers for Berec Group to the Monopolies Commission. As a result the offers, including the preference offer, have been declared unconditional in all respects and will remain open for acceptance until further notice.

Meanwhile listing has been granted for the new Hanson 9½ per cent convertible unsecured loan stock 2001/06, to be issued following the offers.

Hoare Govett on December 23 1981 bought on behalf of a subsidiary of Hanson Trust 915,000 Berec Group ordinary at 150p.

LORD MATTHEWS BUYS ACC STAKE

Lord Matthews, a director of Associated Communications Corporation, the entertainments conglomerate, has purchased 12,000 ordinary non-voting shares of the company.

ROWNTREE/HUNTLEY

Rowntree Mackintosh purchased a further 3.56m ordinary shares in Huntley and Palmer Foods, formerly Associated Biscuit Manufacturers, on December 23 1981 which lifted its holding in the company to 15,911,756 shares (23.58 per cent).

TANKS CONS. INV.

Tanks Consolidated Investments has been advised that Societe Generale Holdings holds or has acceptances for 15,250,987 Tanks shares (88.81 per cent) in response to its offer. Tanks remaining holders are advised to accept the offer.

FIFE INDMAR BUYS PARK NAVAL

Terms have been agreed for the acquisition by Fife Indmar of the capital of Park Naval Engineering, of Blackburn, electrical and mechanical engineer. Initial purchase price is £460,000, payable in cash on completion. A further £160,000 will be satisfied by the issue of new ordinary shares in Fife Indmar, on May 31 1982, subject to audited profits before tax of Park Naval for the nine months ending December 31 1981 being not less than £150,000. A final instalment of £160,000 will be paid in cash on May 31 1983 if Park Naval's taxable profits for the 12 months to end December 1982 are not less than £200,000.

The additional payments will be reduced by £2,000 for every £1,000 shortfall in those profits.

N. KALGURLI MINES

Mr J. L. C. Jones, the chairman of North Kalgurli Mines, has written to shareholders advising them not to accept the partial takeover offer by Metals Exploration.

MINING NEWS

Ashanti is still going strong

ONE of the world's greatest and richest gold mines, the property of Ashanti Goldfields in Ghana has produced more than 500 tonnes of gold over the past 85 years and still has a similar amount left to mine, according to Mr Joseph Hyde, the company's chairman.

For many years Ashanti was a public company chaired by the late Sir Edward Spears. As a result of a take-over bid by Lonrho, control passed to the latter in 1968 and Lonrho now has 45 per cent of the capital with the Ghana Government holding the remaining 55 per cent.

Just prior to the change of control the big mine wa milling around 50,000 short tons of ore per month for a gold production of some 40,000 oz. In October and November of this year it produced 44,000 oz gold and it accounts for about 20 per cent of Ghana's foreign exchange earnings.

So rich is the ore mined that in some parts visible gold occurs and this has raised security problems. Mr Hyde said that closed circuit television is to be installed to minimise an upsurge of gold theft in "sensitive areas."

He added that all personnel working in gold production areas of the mine will be searched, irrespective of race or colour.

Loan for BC coal projects

JAPANESE AND Canadian banks have reached broad agreement on a loan to help finance the development of two big new coal mines in British Columbia, according to reports from Tokyo.

It is believed that about 20 Japanese banks, led by Fuji Bank, will take part in a syndicate providing some $320m (£190m). The details of the loan, including the rate of interest, are expected to be finalised by mid-January, when the syndicate will be formally established.

The two developments are Bullmoose and Quintette, both in the north-eastern part of British Columbia. Bullmoose is controlled by Teck Corporation, while Denison Mines owns a large stake in Quintette.

In January this year, a group of 10 Japanese steel and gas concerns including Nippon Kokan, Nippon Steel and Kawasaki Steel signed contracts for the supply of 5m tonnes of coking coal and 1m tonnes of steaming coal from the Quintette mine, and 1.7m tonnes of coking coal from Bullmoose, over 15 years starting in October 1983.

The Tokyo reports indicated that the Japanese companies concluded the long-term import contracts on condition that the Canadian side, both public and private enterprise, put up the whole of the development costs of the mines, estimated at around $930m.

REYNOLDS IN AJMAN DEAL

Gulf Consolidated Service and Industries has acquired a 54.263 per cent working interest in the Ajman oil and gas concession of the U.S.-based Reynolds Diversified Corporation.

Gulf Consolidated has entered into a commitm[illegible] US$20.3m (£10.8m) to meet the cost of exploration and drilling on the concession. Reynolds is quoted in London under Rule 163(1)(e).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1980							
4th qtr.	100.9	90.0	81	109.0	205.2	2,020	98
1981							
1st qtr.	99.7	88.9	98	112.7	174.4	2,304	100
2nd qtr.	99.1	89.0	91	111.3	180.6	2,507	89
3rd qtr.	100.2	90.2	103	110.4	185.2	2,627	96
May	98.4	88.2	86	110.6	177.1	2,515	92
June	99.7	89.9	98	111.7	182.7	2,552	83
July	100.0	89.7	100	109.7	185.4	2,582	92
Aug	100.0	90.1	125	111.0	185.6	2,626	98
Sept	100.6	90.8	83	110.6	184.7	2,673	97
Oct	102.3	91.5		112.1	197.0	2,729	99
Nov				110.5		2,764	104
Dec						2,782	108

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
4th qtr.	94.4	91.6	117.1	86.6	71.1	77.2	10.1
1981							
1st qtr.	93.9	88.3	117.3	84.2	76.2	76.8	10.9
2nd qtr.	93.5	88.7	118.0	84.8	79.0	76.3	14.2
3rd qtr.	94.3	89.2	119.1	86.1	77.8	76.4	14.3
April	94.0	89.0	118.0	85.0	77.0	76.0	12.5
May	93.0	88.0	117.0	84.0	77.0	76.0	13.8
June	94.0	89.0	119.0	85.0	83.0	77.0	16.3
July	94.0	89.0	119.0	86.0	77.0	76.0	14.5
Aug	95.0	89.0	118.0	86.0	77.0	77.0	12.7
Sept	94.0	90.0	120.0	87.0	80.0	77.0	15.6
Oct	95.0	90.0	124.0	87.0	85.0	78.0	14.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.6	111.8	+1,265	+2,110	+222	105.2	27.90
1981							
1st qtr.		107.0					28.34
2nd qtr.							26.73
3rd qtr.							24.26
Feb	121.7	114.3	+314	+755	+231	105.2	28.43
March		105.5					28.21
April		106.2					28.07
May							26.49
June							25.63
July							24.57
Aug							24.51
Sept	130.2	135.3	+ 13	+114	+290	100.0	23.70
Oct	133.9	126.3	+366	+532	+ 89	98.9	23.32
Nov	139.0	141.7	+ 26	+193	+214	100.1	23.46

Trade figures for March-August not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1980							
4th qtr.	8.8	20.2	11.2	+3,352	1,253	1,793	14
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,951	868	2,023	
May	22.1	20.1	7.0	+1,027	436	607	12
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	290	658	12
Aug	0.8	14.5	35.4	+1,246	244	659	—
Sept	9.7	22.8	34.3	+2,465	334	706	—
Oct	−4.7	20.2	24.0	+1,554	154	678	
Nov	7.6	17.3	20.4	+ 413	65		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1980							
4th qtr.	193.3	203.3	206.1	273.9	260.7	269.25	100.2
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.8
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
May	201.6	226.1	219.2	294.1	276.7	255.14	98.8
June	205.7	229.6	221.1	295.8	280.0	245.07	95.4
July	207.6	233.0	222.2	297.1	279.6	275.81	92.5
Aug	210.4	236.8	224.1	299.3	277.3	257.64	91.2
Sept	211.7	237.9	225.9	301.0	279.6	260.83	88.0
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.3
Nov		236.8	229.1	306.9	285.5	245.79	90.13

* Not seasonally adjusted.

Goodyear forecasts rise in tyre sales

By Our New York Staff

THE OUTLOOK for the hard-pressed U.S. tyre industry could improve next year provided inflation and interest rates keep declining, the chairman of Goodyear, the largest U.S. tyremaker, indicated yesterday.

Mr Charles Pilliod said that next stage in the Reagan tax reductions planned for the middle of 1982 should give the economy an extra stimulus which will produce greater demand in the car, home and commercial construction industries on which the tyre and rubber industry's success depends.

Current sales estimates from the car industry pointed to a rise in original equipment tyre sales of 3m to 39m. In the much larger replacement tyre market, unit sales would rise by 5m to 130m, Mr Pilliod said, because people would drive more as a result of plentiful and cheaper supplies of petrol.

Total tyre sales next year could reach 170m units, Mr Pilliod said. "This will present a level more in line with the tyre industry's current production facilities," he noted.

Mobil extends Marathon bid until end of January

BY DAVID LASCELLES IN NEW YORK

MOBIL, pursuing its last-ditch attempt to win control of Marathon Oil, last night extended its $6.5bn takeover offer for a month, to January 31.

The move came as the U.S. Supreme Court was considering a request by Mobil for a review of the anti-trust obstacles that stand in the way of the merger, which would combine the second and 17th largest U.S. oil companies.

Chief Justice Warren Burger was looking at Mobil's contention that an agreement it made with Amerada Hess to split up Marathon would get round the objection that a Mobil-Marathon merger would give Mobil an excessive share of the Midwestern petrol market.

Under the agreement, Amerada, which has no marketing business of any size in the Midwest, would buy Marathon's refining, transportation and retailing businesses, while Mobil would keep the oil and gas producing properties on which it has had its eye all along.

Mobil is pressing for a speedy review by the Supreme Court because its bidding rival, U.S. Steel, has received a court go-ahead to start buying Marathon shares on January 7, and its $6.4bn offer is already heavily oversubscribed. Mobil wants the Supreme Court to stop U.S. Steel until its own case has been considered.

Record year for Tokyo market

BY OUR FINANCIAL STAFF

TRADING VOLUME on the Tokyo Stock Exchange reached a record 107.54bn shares in 1981, up 7.3 per cent from 1980, mainly because of the inflow of foreign capital.

Average daily turnover of the market, which had its last trading day of the year on Tuesday, reached 377.33m shares, up 5.2 per cent from a year earlier. A daily record of 1.39bn shares was set on April 8 compared with the previous record of 1.07bn set on November 14 1972.

Active foreign buying helped push the Nikkei-Dow stock market index to a high for the year of 8,019.14 on August 17. It had opened the year at 7,150.95 and fallen to a year low of 6,956.52 on March 13.

The sharpest daily fall was on September 28, at the time of the international stock market turmoil, with the index falling 302.84. It rebounded the following day by 320.56 points.

Trading slackened in the last few months of the year reflecting a weakening of the U.S. economy, ebbing foreign investment and a high level of margin trading debt. The index closed the year at 7,681.84.

Banks plan Italian shipping rescue

By James Buxton in Rome

CREDITOR banks may step in and save the Lauro Line, the Italian shipping group which is in serious financial difficulty.

Weighed down by short-term debt, largely as a result of incursions into the tanker market, Lauro is said to be facing an annual bill for interest charges totalling about L25bn ($20m). The group fleet has about 20 ships.

A number of its ships are reported to have already been impounded by creditors, some of them in foreign ports, others in Italy. The shipping line's 2,500 employees claim that they have not been paid fully over the past few months.

The head of the family-run company is Sig Achille Lauro, who is 94 and still an important figure in Naples, where the company is based.

After a meeting this week at the Ministry of Merchant Shipping, Lauro's creditor banks are considering advancing a line of credit which would enable salaries and essential creditors to be paid during the first 10 days of January.

The appointment of an external management committee is also being considered. It would administer a programme of recovery and restructuring for the fleet.

It appears to be accepted that the sale of some of the company's assets, including both ships and property, will be necessary to pay off debts.

But neither the creditors nor the company itself wants to sell of assets at distress prices.

Five French oil refineries threatened with closure

BY DAVID WHITE IN PARIS

OIL REFINERS are reported to be contemplating closure of five installations in France, cutting overall capacity from 166m tonnes a year to 144m.

Cuts in the refined industry are currently being negotated between French and foreign oil companies and the Government.

The Government is seeking guarantees from the companies about alternative employment for the staff of closed refineries, and commitments that they will invest in conversion units such as catalytic crackers at their refining complexes in order to make them more viable.

At the same time, the Government is drawing up an indexation formula for oil product prices, in response to the companies' long-standing complaint that increases in selling prices, reflecting crude oil costs and variations in the value of the dollar, have been inadequate and been implemented too late.

The five installations reported to be at the top of the closure list involve four companies, the two French state-controlled groups, Elf-Aquitaine and Total, British Petroleum's French subsidiary, Societe Francaise des Petroles BP, and Esso SAF, the Exxon offshoot.

The two other concerns which have refining operations in France—Shell and Mobil—were said by the Industry Petroleum Bulletin not to be directly concerned.

Representatives of the companies confirmed the gist of the report but said decisions had still to be taken about which installations should close.

Losses in refining made a sharp dent in first-half profits for both the French oil groups, while the BP and Esso units just managed to break even.

Total confirmed that it wanted to close the Hauconcourt refinery near Metz in eastern France, where its CFR subsidiary is involved jointly with Elf and Esso.

Another unit in eastern France, Herrlisheim near Strasbourg, which groups the two French companies with BP, was also cited by the report as likely to close.

The report said Elf was expected to close its refineries at Valenciennes in the north and Gargenville, west of Paris, respectively the group's third-largest and fifth-largest units.

BP was said to be hesitating between its Dunkirk refinery, with a capacity of 4.4m tonnes a year, and its more recent Vernon unit in Normandy, which has a 3.4m-tonne capacity. The company said it intended to maintain production at Lavera near Marseilles, where it already reduced capacity in 1978 to 8.5m tonnes.

The report suggested a further series of cuts was probable in order to reduce overall capacity to 110m tonnes in 1990, as the country reduces its dependence on oil by increased use of nuclear energy and coal.

Philips sets disc marketing date

BY CHARLES BATCHELOR IN AMSTERDAM

PHILIPS, the Dutch electrical group, expects to introduce its new compact audio dics to the European market towards the end of 1982. Development of the disc for market has gone more quickly than Philips first expected following an agreement on technical co-operation with Sony of Japan and the speedy signing-up of licences to make both the players and the discs.

Production of the disc players will start in mid-1982 at a factory in Hasselt, Belgium, and deliveries to dealers will begin towards the end of the year. The players and discs will be on general sale throughout Europe in early 1983.

Polygram, which is jointly owned by Philips and Siemens, will make the discs at a factory in Hanover, West Germany. The 11.5 cm diameter discs contain digitally encoded information which is read by a laser beam. With a recording on one side only they offer one hour's playing time.

The player is expected to cost Fl 1,500 to Fl 2,000 ($600-$800) when it is first launched, roughly equivalent to the cost of an expensive conventional audio system.

No formal agreement has been reached to divide up the world market, but in practice Sony is expected to take most if not all of the Japanese market.

A total of 29 audio equipment makers in Europe and the Far East have taken out licences to build the players while seven companies will make the discs. The hardware licensees include Bang and Olufsen, Grundig, Akai, Hitachi and Matsushita. Philips expects to have 200 titles available when the player is launched and to add another 300 during 1983.

Philips expects to launch its VLP videodisc system, from which the audio compact disc has been developed, some time next year.

The company has experienced production problems with the video discs at its factory in Blackburn which have delayed the introduction in the UK.

Banks' $500m refinancing for Sudan

By Quentin Peel, Africa Editor

REPRESENTATIVES of 100 banks yesterday signed a refinancing agreement with Sudan covering debt and interest payments of about $500m, opening the way for a further agreement to reschedule inter-governmental debt through the Paris Club.

The agreement provides for $400m of principal to be repaid over seven years, with three years' grace, and about $100m in outstanding interest payments will be repaid over three years, with one year's grace. Principal banks involved include Citibank, UBAF, Chemical Bank, Arab African International Bank and Deutsche Bank. Morgan Grenfell advised the Sudan Government.

Mr Ibrahim Moneim Mansour, the Sudan Minister of Finance, said a meeting of the Paris Club was planned for February to finalise the inter-governmental arrangements. Bilateral agreements have been reached with all the member governments except Belgium.

This is the second round of Paris Club rescheduling—the first, covering more than $400m, was agreed in 1979

Eurodollar bonds steady

By Peter Montagnon, Euromarkets Correspondent

Prices of fixed interest dollar Eurobonds held fairly steady yesterday despite weaker overnight indications from the New York bond market.

Trading conditions in Europe remained extremely quiet with many houses effectively shut until the New Year.

Much the same held true in the D-mark and Swiss franc sector, although D-mark foreign issues closed on a slightly firmer note after the Bundesbank announced a DM 4.6bn injection of liquidity into the money market.

Six month D-mark Euro-deposit rates shed ¼ point to 10¾ per cent

Japanese synthetic suede wears well in Italy

BY CHARLES SMITH IN TOKYO

IN A frequently difficult business environment for synthetic fibre manufacturers, Toray Industries, Japan's leading producer, has found its Italian joint venture a consistent bright spot.

The venture has increased its output of Alcantara, a synthetic suede, 10 times since it was set up in 1974 in partnership with ANIC, an affiliate of ENI, the Italian oil and petrochemical group.

Mr Hajime Matsuyoshi, a director of Toray's international division, attributes the joint venture's success to its highly proficient Italian salesmen.

The Alcantara plant at Terni, near Rome, had no labour or mechanical hitches in the past five years and was as profitable as Toray's Japanese-based synthetic suede production, he added.

Toray owns a 49 per cent stake in Alcantara Sp.A. with ANIC holding 51 per cent. Only two Japanese technical advisers are in residence to day at Terni — although 50 or 60 Toray men helped to get things off the ground in the plant's first year. The combination of high profitability and low involvement by Japanese personnel makes Alcantara one of the most succesful Japanese investments in Italy — if not Europe as a whole — and one of Toray's smoothest running overseas ventures.

Toray had been licensing its know-how for polyester staple and filament to ANIC for several years before the Italian company began to show interest in the early 1970s in the unique Toray technology for producing a suede-like fabric from the substance known to textile specialists as terephthalic acid. The European market for Toray's artificial suede (ECSAINE) looked promising from the start, given the popularity of leather as a fashion material. Toray therefore wrote a condition into its licencing agreement with ANIC under which it acquired the right to become a joint venture participant in any new factory built to produce ECSAINE.

When ANIC began building its Terni factory in 1972, the clasue in the know-how agreement was activated and a joint venture company, named IGANTO, was formed in 1974 to operate the new plant. The initials, IGNANTO, stand (or rather stood) for: Italian Government, ANIC, and Toray. The name of the company was changed to Alcantara — the name given to ECSAINE on the European market — in November 1981 after both Toray and ANIC had concluded that using one name for the fabric and another for the company was liable to confuse potential customers.

Alcantara Sp.A. has a capital of L12bn and employs 400 workers. Its exact turnover and profit levels are confidential but Toray says the latest 10 per cent increase in production capacity was completed early this year and that more expansion is contemplated.

Alcantara's Terni production is running at about half the level of Toray's home-based suede output. But includes processes, mainly dyeing, that are carried out in Japan by subsidiaries or affiliates rather than by the main manufacturing plant. Toray says the European market for artificial suede is actually bigger than the Japanese market, with 50 per cent of total demand concentrated in West Germany.

Because the market is so big, and because the Terni plant is not equipped to produce some of the more specialised variants of the product, Toray still ships artificial suede direct from Japan to Europe. Direct imports, however, never exceed 20 per cent of Italian production levels and are seldom more than 10 per cent. Expenses on direct shipments are higher because Toray has to pay customs duties on the finished product instead of on the raw materials supplied to Terni for the manufacture of Alcantara.

Following the success of the Terni project, Toray is contemplating one other investment in Europe. This would be a joint venture with Union Carbide and the French chemical company Societe Nationale Elf Aquitaine, and its purpose would be to produce carbon fibre for the French aircraft industry.

Toray is already the world's largest carbon fibre producer but is faced with a home market where demand for this ultra light substance tends to be limited to peripheral products such as fishing rods. Europe, with its highly developed aircraft industry, represents a much more interesting market for Japanese carbon fibre makers and Toray appears to believe that a locally based production facility offers the best means of exploiting it.

VONTOBEL EUROBOND INDICES

145.76 = 100%

PRICE INDEX	22.12.81	29.12.81	AVERAGE YIELD	22.12.81	29.12.81
DM Bonds	91.29	91.30	DM Bonds	9.830	9.837
HFL Bonds & Notes	84.02	84.31	HFL Bonds & Notes	11.047	10.985
U.S. $ Strt. Bonds	85.93	85.96	U.S. $ Strt. Bonds	14.153	14.148
Can. Dollar Bonds	86.77	87.35	Can. Dollar Bonds	14.696	14.593

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday January 12.

Closing prices on December 30

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16½ 88	100	101½	102	+0⅛	+0½	16.02
APS Fin Co. 17¼ 86	60	102⅛	102⅞	−0⅛	0	16.35
Armco O/S Fin. 15⅞ 86	50	100¼	100¾	−0½	+0¼	[illegible]
Bank Montreal 16¼ 91	150	100⅞	101⅛	+0⅛	+0⅛	16.05
Br. Colum. Hyd. 16¼ 86	100	101⅞	102⅜	0	−0¼	15.68
Br Colum. Mfa. 17 97	54	103½	103⅞	+0⅛	0	16.36
Can. Nat. Rail 14⅝ 91	100	95⅜	96⅛	0	+0½	15.45
Caterpillar Fin. 16½ 86	100	102⅜	102⅞	0	+0⅛	15.64
CFMP 16¾ 96	100	102⅝	103⅛	+0⅛	+0⅛	16.21
CIBC 16¾ 91	100	102⅜	102⅞	+0⅛	0	16.16
Citicorp O/S 16¾ 86	150	102¾	103¼	−0⅛	−0⅛	15.76
Cities Service 17 88	150	103½	104	−0⅛	+0⅛	15.98
Con. Illinois 14½ 84	100	99⅛	99⅝	0	+0⅛	14.94
Cons.-Bathurst 17½ 88	60	103	103½	+0⅛	+0¼	16.84
CPC Fin. 16¾ 86	50	104⅝	105⅛	0	+0¼	15.15
Dupont O/S 14½ 88	400	99	99½	−0⅛	+0⅛	14.66
EIB 16½ 88	100	102⅜	102⅞	0	0	15.78
EIB 16¾ 91	100	102⅝	103⅛	−0¼	−0⅛	16.06
GMAC O/S Fin. 16½ 84	300	101⅛	101⅝	+0⅛	0	15.79
Gulf States O/S 17½ 88	60	103½	104	−0⅛	0	16.48
Nat. Bk. Canada 16½ 88	40	101	101½	+0⅛	+0⅛	16.78
Nat. West 14¾ 91	100	98	98½	−0⅛	0	14.89
New Brunswick 17 88	60	104⅜	104⅞	+0⅛	+0⅛	15.78
Newfoundland 17¼ 89	60	105⅞	106⅜	+0¼	+0⅛	15.77
New. & Lab. Hy. 17¼ 89	75	102⅞	103⅜	0	0	16.48
Ohio Edison Fin 17½ 86	75	102⅛	102⅝	0	0	16.83
OKG 15¾ 97	50	97½	98	+0⅛	+0⅛	16.13
Ontario Hyd. 16 91 (N)	200	100½	101	−0⅛	−0¼	15.82
Quebec Hydro. 17¼ 91	150	105⅜	105⅞	+0⅛	−0⅛	16.03
Quebec Province 15¼ 89	150	98¼	98¾	+0½	+0½	15.61
Saskatchewan 16¾ 88	100	101	101½	+0⅛	+0¼	15.91
Shell Canada 15¾ 91	100	102⅝	103⅛	+0⅛	0	15.12
Sweden 14½ 88	150	94¾	95¼	0	0	15.72
Swed. Ex. Cred. 16½ 93	75	101⅝	102⅛	0	+0⅛	16.11
Tenneco Int. 17 89	100	103½	104	+0⅛	−0¼	16.07
Texas Eastern 15⅞ 88	75	97½	98	0	+0¼	16.43
Transcanada 17¾ 88	75	104⅞	105⅜	+0⅛	+0⅛	16.37
Transcanada 16 89	100	98⅞	99⅜	0	+0⅛	16.18
Walt Disney 15¾ 86	100	101⅜	101⅞	+0⅛	0	15.16
Winnipeg 17 86	50	103¾	104¼	+0⅛	+0⅛	15.89
WMC Fin. 15½ 88	50	95⅞	96⅜	+0¼	+0¼	16.46
World Bank 16 86	210	102	102½	+0⅛	+0⅛	16.17
World Bank 16 88	80	101⅝	102⅛	0	+0⅛	15.45
World Bank 16½ 86	130	103⅜	103⅞	0	0	15.30
World Bank 16½ 88	100	103⅛	103⅝	+0⅛	+0⅛	15.60

Average price changes.. On day 0 on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	99⅞	100⅜	0	+0⅛	9.96
Asian Dev. Bank 10¾ 89	100	101¼	101¾	−0¼	−0¼	10.44
Belgelectric 11 91	100	101½	102	0	+1	10.68
CECA 10 91	120	†101	101½	−1¼	−0⅛	9.78
Coun. of Europe 10 91	100	100½	101	+0½	0	9.88
Coun. of Europe 10¼ 91	100	101¼	101¾	+0½	+0⅛	9.99
EEC 10½ 93	100	100⅜	100⅞	+0½	+0¼	10.02
EIB 8½ 90	200	93¼	93¾	0	+0⅛	9.62
EIB 10½ 91	200	†102¼	102¾	−0⅛	+0½	10.06
Finland, Rep. of 10½ 86	100	100⅝	101⅛	0	+1¼	10.21
Inter-American 10 91	100	†101½	102	−0½	0	9.69
Inter-American 10¼ 91	100	100½	101	0	+0½	10.12
Japan Air Lines 8⅞ 87	100	95¾	96¼	+0¼	+0¼	9.02
Midland Int. Fin. 8½ 90	180	93¼	93¾	−1	−0½	9.62
Mt. Bk. Dnmk. 10½ 91	100	100	100½	0	+0⅛	10.45
Nat West. 11 91	125	104	104½	0	+0¼	10.27
New Zealand 9¾ 89	200	100⅛	100⅝	+0⅛	+0⅛	9.67
OKB 10½ 91	150	100⅝	101⅛	0	+0⅛	9.97
Quebec Hydro 10¼ 91	150	102⅛	102⅝	+0¼	+0½	9.86
Renault Acpt. 10⅝ 86	150	100⅜	100⅞	0	+0¼	10.57
Swed. Ex. Cred. 10¼ 91	100	99¼	99¾	+0⅛	+0⅛	10.32
World Bank 11 91	100	103¾	104¼	−0¼	+0¼	10.31
World Bank 10 91	250	100⅛	100⅝	0	+0⅛	9.93

Average price changes... On day −0⅛ on week +0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	60	94	94½	0	−0⅛	7.39
Asian Dev. Bank 8 90	80	102¾	103	−0⅛	+0⅛	7.54
BFCE 6½ 91	100	†95	95½	+0⅛	+0½	7.22
Belgelectric Fin. 7¼ 91	100	101¼	102	−0⅛	+0½	7.48
Bell Canada 7¼ 93	100	106	106½	0	+1	6.49
Bergen, City of 6¾ 91	40	99⅞	100⅛	−0¼	−0⅛	6.74
Bet. de Autopistas 8 90	50	100¼	100½	+0¼	+0⅛	7.94
CECA 6¾ 91	80	99¼	99¾	−0⅛	+2	6.82
Dome Petroleum 5¾ 91	100	93¾	94	−0⅛	+0⅛	6.67
Dome Petroleum 7¼ 90	100	104	104¼	0	+0½	6.60
Franc. Petroles 6½ 91	80	†96	96½	+0¼	+0⅛	7.21
Genstar 7 91	100	102⅞	103½	+0⅛	+0½	6.55
Int. Amer Dv. Bk. 7 91	100	99	99¼	−0⅛	+0½	7.12
I/S Elsam 8½ 91	80	104	104¼	0	0	7.87
Japan Air Lines 7¼ 91	100	104¼	104½	+0⅛	+1	6.63
Neder. Gasunie 8 91	100	106⅜	106⅝	+0⅛	+0⅞	7.06
OKB 7 93	100	101	101½	−0⅛	+0⅛	6.85
OKB 7¼ 91	100	101⅛	101¼	+0½	+1	7.01
Oslo, City of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saint Etienne [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. Ex. Credit [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TNT O/S Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unilever NV [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7¾ [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland, Rep. of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int.-Amer. Dev. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes. On day 0 on week [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Utilities [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal Dev. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC (Can.) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pancanadian [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Queb. Urban [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Roynat [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tordom Cor. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Issued	Bid	Offer	Change on day	Change on week	Yield
M. Bk. Dnmk. 9 91 EUA	25	82	83½	0	0	12.07
SOFTE 8¾ 89 EUA	40	77¼	79	0	0	13.00
U. Bk. Nwy. 9½ 90 EUA	18	91	92¼	0	0	11.10
Algemene Bk 10¾ 86 Fl	60	99⅞	100¼	0	+0⅛	10.19
Amfas Group 12¼ 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amro Bank 12 86 Fl	75	102	102½	0	+0¼	11.29
Amro Bank 12 86 Fl	60	101⅞	102⅜	+0¼	+0⅛	11.38
Heineken NV 10 87 Fl	100	96	96½	0	+0¼	10.90
Pierson 10¼ 86 Fl	50	97⅞	98⅜	+0⅛	+0¼	10.81
Rabobank 12 86 Fl	50	101⅛	101¾	+0¼	+0⅛	11.50
Air France 14½ 86 FFr	200	92⅞	93⅞	+0¼	+0⅛	16.70
Bk. America 14½ 86 FFr	250	93½	94½	0	+0⅛	16.50
Charb'nages 13⅞ 85 FFr	400	92⅝	93⅝	+0¼	+0¼	16.45
EIB 14¼ 88 FFr	300	89½	90½	−0⅛	0	17.00
La Redoute 14¼ 85 FFr	125	91⅛	92⅛	0	+0¼	17.46
OKB 14 86 FFr	400	91⅞	92⅞	+0¼	+0¼	16.66
Solvay et C. 14¼ 86 FFr	200	92⅛	93⅛	0	+0⅛	17.29
Swed. E. Cr. 14⅛ 86 FFr	250	92¼	93¼	0	+0¼	17.07
U. Mex. Sts 14 85 FFr	150	91⅛	92⅛	0	−0⅛	17.33
Acona 14 85 £	20	90¼	91¼	+0¼	−0⅛	17.42
Beneficial 14¾ 90 £	20	84⅞	85⅜	−0⅛	+0⅛	17.86
BNP 13½ 91 £	15	84¼	85¼	+0¼	+0¼	16.90
CECA 13½ 88 £	20	88½	89½	0	0	16.25
Citicorp O/S 13½ 90 £	50	87½	88½	0	−1¼	16.25
Fin. Ex. Cred. 13¾ 86 £	75	90¼	91¼	+0¼	+0¼	16.90
Gen. Elec. Co. 12½ 89 £	50	85⅛	86⅛	0	0	15.89
Hiram Walker 14¾ 86 £	25	93⅝	94⅝	+0½	−0⅛	16.27
Privatbanken 14½ 88 £	12	91½	92½	+0½	0	16.69
J. Rothschild 14¾ 90 £	12	92½	93½	+0¼	+0⅛	15.73
Royal Trustco 14 86 £	12	92⅝	93⅝	+0½	0	16.30
Swed. Ex. Cr. 13½ 86 £	20	91	92	0	0	16.88
Akzo 9¼ 87 LuxFr	500	85⅜	86⅜	+0½	−0⅛	12.82
Euratom 9¾ 88 LuxFr	500	84⅞	85⅞	+0¼	+0¼	13.44
Eurofima 10½ 87 LuxFr	500	90¼	91¼	+0¼	+0⅛	12.83
EIB 9¾ 88 LuxFr	600	86	87	+0⅛	+0⅛	13.10
Volvo 9¾ 87 LuxFr	500	86¼	87¼	−0⅛	−0¼	13.09

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 90	0¼	99½	100	18/6	14¼	14.29
Bank of Montreal 5¼ 91	0⅛	98	98½	29/4	17.06	17.37
Bank of Tokyo 5¼ 91	0⅛	98	98½	10/6	13¼	13.49
Bk. Nova Scotia 5¼ 93	0⅛	99¾	100¼	29/4	17.06	17.06
BBL Int. 5 86	0¼	99¼	99¾	20/5	13½	13.57
BFCE 5⅞ 88	0¼	99¾	100¼	26/4	16.94	16.94
Christiania Bk. 5½ 91	‡0¼	98¾	99¼	5/2	15.56	15.72
Co-Ban Eurofin 5½ 91	0¼	98½	99	14/4	16.89	16.90
Den Norske Cred. 5½ 93	0¼	97½	98	4/6	13.56	13.87
Genfinance 5¼ 87	0¼	100¼	100¾	30/4	17.06	16.88
Genfinance 5¼ 92	0¼	99⅜	99⅞	30/6	15½	15.56
Giro und Bank 5¼ 91	‡0¼	99	99½	23/3	14.06	14.17
GZB 5¼ 92	‡0¼	98½	99	5/3	13⅛	13.29
Ind. Bank Japan 5¼ 88	0⅛	99¾	100¼	9/5	13.31	13.31
Lloyds Eurofin 5¼ 93	§0¼	99⅝	100⅛	29/4	17.13	17.15
LTCB Japan 5½ 89	0¼	†99⅛	99⅝	16/1	18.32	18.43
Midland Int. Fin. 9 91	0¼	99¾	100¼	20/4	17.06	17.06
Nacional Fin 5½ 88	0¼	†98	98½	25/3	17.31	17.62
Nat. Bk. Canada 5¼ 88	0¼	99⅝	100⅛	24/3	17.31	17.33
Nat. West. Fin. 5¼ 91	§0¼	99⅛	99⅝	15/1	18⅛	18.24
Nat. West. Fin. 5¼ 92	§0¼	99½	100	23/4	17	17.04
Nordic Int. Fin. 5½ 91	0¼	98¾	99¼	6/5	15⅝	15.78
Offshore Mining 5¼ 91	0¼	98	98½	2/6	13	13.23
Pemex 6 91	0¼	98⅛	98⅝	8/4	17	17.28
Pemex 5¼ 88	0¼	†96	96½	14/2	18.81	19.15
Sanwa Int. Fin. 5¼ 88	0¼	†99½	100	24/3	17¼	17.29
Sec. Pacific 5¼ 91	0⅛	98½	99	24/5	13⅛	13.42
Societe Generale 5¼ 91	0⅛	†99⅜	99⅞	22/1	18⅝	18.70
Sparebanken 6 87	0¼	98¾	99¼	21/6	14.44	14.59
Standard Chart. 5¼ 91	0⅛	98	98½	18/5	13.31	13.55
Sumitomo Fin. 5½ 88	0⅛	99¾	100¼	5/2	19.56	19.59

Average price changes.. On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5½ 96	7/81	933	100⅞	102⅜	−0½	2.96
Bow Valley Inv. 8 95	4/81	23.12	†103	105	0	20.79
Canon 6¾ 95	1/81	829	117⅝	119⅛	+0⅛	4.17
Daiwa Secs. 5½ 96	12/81	513.3	†83	85	−0½	−1.81
Fujitsu Fanuc 4½ 96	10/81	6770	103½	106	+0⅛	4.25
Furukawa Elec. 5¼ 96	7/81	300	123⅝	125⅛	+0⅛	−1.47
Hanson O/S Fin. 9½ 96	8/81	2.74	†90½	92	+1½	−2.37
Hitachi Cred. Cpn. 5 96	7/81	1773	92	94	0	0.74
Inchcape 8 95	2/81	4.55	†59½	61	−1	27.36
Kawasaki 5¼ 96	9/81	229	83⅛	84⅞	0	0.44
Marui 6 96	7/81	931	103½	105	+0½	1.15
Matsushita El. 7½ 95	11/80	590	98	99½	0	−1.47
Minolta Camera 5 96	10/81	909	76¼	77¾	+0¼	6.53
Murata 5¼ 96	7/81	2190	79⅛	80⅝	+0¼	18.35
NKK 6⅛ 96	7/81	188	97¼	98¾	+0¼	0.38
Nippon Chemi-C. 5 91	10/81	919	78	80	0	3.20
Ricoh 6⅛ 95	8/80	604	110⅞	112⅞	+0⅛	4.61
Sanyo Electric 5 96	10/81	652	82	83⅝	0	5.10
Sumitomo Met. 5¼ 96	10/81	305	84½	85⅝	+0⅛	0.46
Swiss Bk. Cpn. 6¾ 90	9/80	191	†74½	76½	−1	10.58
Taylor Woodrow 8¾ 90	1/81	4.94	†78	79½	0	−2.54
Transco Int. 8¾ 95	8/81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trizec [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union Bk. Switz. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi H. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sharp Corp. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CURRENCIES, MONEY and GOLD

Sterling improves

[S]terling was mostly firmer in [the] year end currency [mark]ets yesterday. Business was [thin]ned to a few commercial [orde]rs as banks squared their [book]s ahead of the new year. [Th]e dollar was slightly [eas]ier overall. The market was [too] thin to show much reaction [to P]resident Reagan's sanctions [agai]nst the Soviet Union or a [firm]er tendency in Euro-dollar [inte]rest rates.

[T]rading was rather quiet [with]in the European Monetary [Syst]em yesterday. The Belgian [fran]c was weaker overall and re[mai]ned the weakest member [foll]owed by the D-mark which [sho]wed an overall improvement. [The] French franc remained the [mos]t improved member, a little [way] ahead of the Irish punt and [Dan]ish krone.

[S]TERLING — trade weighted [ind]ex (Bank of England) rose [to] 90.9 from 90.5, having stood [at 9]0.8 at noon and in the morn[ing]. Against the dollar sterling [ope]ned at $1.90 and touched a [low] of $1.8980 before coming [bac]k to $1.90 where it stayed [unt]il mid afternoon. It then rose [to] $1.9050 on comparatively small [dem]and but rose further as the [dol]lar was sold out of the U.S. [Ster]ling touched a best level of [$1.]9150 and closed at $1.9120-[9]140, a rise of 2.2c. Against the [D-m]ark it rose to DM 4.3050 [fro]m DM4.2950 and SwFr 3.44 [fro]m SwFr 3.4100. In terms of [the] yen it finished at Y420 from [Y4]19.75 and rose to FFr 10.93 [fro]m FFr 10.8550 against the [Fre]nch franc.

[D]OLLAR — Trade weighted [ind]ex (Bank of England) fell [to] 107.2 from 107.7. The dollar [clo]sed at DM 2.2510 against the [D-m]ark down from DM 2.2710 on [Tu]esday and SwFr 1.7975 com[par]ed with SwFr 1.8050. It was [als]o lower against the Japanese [yen] at Y219.50 from Y222.0 [pre]viously.

D-MARK — Showing a slightly firmer tendency compared with levels set after October's reshuffle in the European Monetary System. However, against the dollar the D-mark has steadily lost ground this month although it is still much firmer than levels touched earlier this year — The D-mark was generally stronger at yesterday's fixing in Frankfurt. Trading was light with year end considerations keeping the level of business to a minimum. The dollar was fixed at DM 2.2675 compared with DM 2.2712 while sterling improved to DM 4.3060 from DM 4.3900. Within the EMS the French franc fell to DM 39.47 per FFr 100 from DF 39.55 and the Belgian franc was lower at DM 5.9090 per BFr 100 compared with DM 5.9160. Elsewhere the Swiss franc was fixed at DM 1.2568, down from DM 1.2585.

BELGIAN FRANC — Trading comfortably within its divergence limit in the EMS, but now the weakest member of the system once again. Action by the Belgian National Bank to discourage speculation and the formation of a coalition government after a period of political crisis, have helped contain pressure on the franc — Figures released yesterday indicated that the Belgian National Bank did not intervene in the foreign exchange market in the past week. A fall in foreign currency reserves was due to the repayment of BFr 6.4bn to the European Monetary Co-operation Fund. The Belgian franc was mostly weaker at yesterday's fixing in Brussels. Sterling rose to BFr 73.0050 from BFr 72.8125 and the D-mark was higher at BFr 16.937 compared with BFr 16.90. The French franc rose to BFr 6.6905 from BFr 6.69 while the U.S. dollar slipped to BFr 38.375 from BFr 38.40.

THE POUND SPOT AND FORWARD

Dec 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8980-1.9150	1.9120-1.9140	0.30-0.20c pm	1.57	0.65-0.55 pm	1.25
Canada	2.2450-2.2860	2.2620-2.2640	par-0.10c dis	−0.26	0.10 pm-0.10dis	—
Nethnd.	4.71½-4.74½	4.72-4.73	1¾-1¼c pm	3.81	5-4½ pm	4.02
Belgium	72.70-73.70	73.45-73.65	45-85c dis	−10.60	90-130 dis	−5.98
Denmark	13.97-14.02	13.98-14.00	4⅞-3⅞ore pm	3.75	6⅝-5⅞ pm	1.68
Ireland	1.2060-1.2130	1.2090-1.2110	0.31-0.41p dis	−3.57	0.94-1.12dis	−3.40
W. Ger.	4.29-4.32	4.30-4.31	2½-1¾pf pm	5.23	5½-5⅞ pm	4.98
Portugal	124.25-125.25	124.80-125.10	25-185c dis	−10.08	65-510 dis	−9.20
Spain	185.00-186.00	185.80-186.00	5-30c dis	−1.13	30-80 dis	−1.18
Italy	2,293-2,311	2,308½-2,310½	15-18 lire dis	−8.57	48-50 dis	−8.31
Norway	11.08-11.15	11.13-11.15	3-2ore pm	2.69	5⅞-4⅞ pm	2.11
France	10.87-10.94	10.92½-10.93½	½-1¼c dis	−0.82	4½-5½ dis	−1.83
Sweden	10.57-10.64	10.62½-10.63½	2½-1½ore pm	2.26	8½-7½ pm	2.96
Japan	415-423	419½-420½	3.25-2.80y pm	8.64	8.80-8.30 pm	8.14
Austria	30.05-30.25	30.07-30.12	16-11gro pm	5.38	45-35 pm	5.32
Switz.	3.41-3.45	3.43½-3.44½	1⅞-1½c pm	5.67	5¼-4¾ pm	5.81

Belgian rate is for convertible francs. Financial franc 80.60-80.70. Six-month forward dollar 0.70-0.60c pm. 12-month 0.95-0.75c pm.

THE DOLLAR SPOT AND FORWARD

Dec 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8980-1.9150	1.9120-1.9140	0.30-0.20c pm	1.57	0.65-0.55 pm	1.25
Ireland†	1.5695-1.5750	1.5705-1.5735	0.73-0.63c pm	5.19	1.96-1.76 pm	4.73
Canada	1.1828-1.1858	1.1840-1.1845	0.15-0.22c dis	−1.87	0.40-0.50dis	−1.52
Nethnd.	2.4800-2.4960	2.4800-2.4850	0.60-0.45c pm	2.53	1.84-1.69 pm	2.84
Belgium	38.25-38.55	38.44-38.46	25-35c dis	−9.35	50-70 dis	−6.23
Denmark	7.3500-7.3800	7.3575-7.3675	1.15-0.90ore pm	1.67	¼ pm-¼ dis	—
W. Ger.	2.2475-2.2790	2.2505-2.2515	0.62-0.52pf pm	3.04	1.90-1.80 pm	3.28
Portugal	65.30-65.80	65.30-65.50	25-105c dis	−11.92	65-235 dis	−9.17
Spain	97.30-97.65	97.50-97.60	20-35c dis	−3.38	55-75 dis	−2.66
Italy	1,206-1,208¼	1,206-1,207½	9¼-10¾ lire dis	−9.94	29-32 dis	−10.10
Norway	5.8225-5.8650	5.8225-5.8325	1.00-0.60ore pm	1.65	1.00-0.60 pm	0.55
France	5.7150-5.7375	5.7150-5.7200	1.00-1.30c dis	−2.41	4.40-4.90dis	−3.24
Sweden	5.5675-5.5750	5.5575-5.5675	0.35-0.15ore pm	0.54	2.00-1.80 pm	1.37
Japan	219.00-220.30	219.45-219.55	1.40-1.20y pm	7.11	3.87-3.67 pm	6.87
Austria	15.38-15.39	15.36-15.37	5.30-4.10gro pm	3.55	16½-13½ pm	3.78
Switz.	1.7950-1.8090	1.7970-1.7980	0.72-0.62c pm	4.47	2.00-1.90 pm	4.34

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Dec. 30	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.9	−33.0
U.S. dollar	107.2	+0.8
Canadian dollar	88.8	−16.2
Austrian schilling	117.0	+24.4
Belgian franc	104.8	+7.8
Danish kroner	87.4	−10.3
Deutsche mark	122.5	+43.8
Swiss franc	154.1	+105.6
Guilder	114.5	+19.5
French franc	80.6	−14.4
Lira	55.5	−57.5
Yen	146.1	+39.3

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.612472	0.569012
U.S. $	12	1.15941	1.07714
Canadian $	15.00	1.37471	1.27221
Austria Sch.	6¾	18.4462	17.1173
Belgian F.	15	44.5213	41.4106
Danish Kr.	11	8.56804	7.95468
D mark	7½	2.63325	2.44565
Guilder	9	2.89795	2.68962
French Fr.	9½	6.66197	6.18763
Lira	19	1403.23	1303.66
Yen	5½	257.389	238.339
Norwgn. Kr.	9	6.78950	6.30665
Spanish Pts.	8	113.332	105.290
Swedish Kr.	11	6.46568	6.01259
Swiss Fr.	6	2.09389	1.94316
Greek Dr'ch.	20½	—	62.1725

OTHER CURRENCIES

Dec. 30	£	$		£ Note Rates
Argentina Peso	20,225-20,245†	10,600-10,650†	Austria	30.05-30.35
Australia Dollar	1.6890-1.6910	0.8875-0.8880	Belgium	79.25-81.25
Brazil Cruzeiro	242.28-243.28	127.16-127.80	Denmark	13.96-14.08
Finland Markka	8.346-8.387	4.3750-4.3770	France	10.85-11.00
Greek Drachma	105.575-109.838	57.00-57.40	Germany	4.29-4.34
Hong Kong Dollar	10.80¼-10.83	5.68-5.69	Italy	2260-2345
Iran Rial	150.25*	79.40*	Japan	418-423
Kuwait Dinar (KD)	0.532-0.538	0.2819-0.2821	Netherlands	4.71¼-4.76¼
Luxembourg Fr.	73.45-73.65	38.44-38.46	Norway	11.07-11.17
Malaysia Dollar	4.2625-4.2725	2.2405-2.2435	Portugal	123-138
New Zealand Dlr.	2.3175-2.3195	1.2145-1.2155	Spain	184½-193½
Saudi Arab. Riyal	6.47-6.53	3.4190-3.4220	Sweden	10.55-10.65
Singapore Dollar	3.89-3.90	2.0450-2.0480	Switzerland	3.41½-3.45½
Sth. African Rand	1.8345-1.8365	0.9590-0.9600	United States	1.89½-1.91½
U.A.E. Dirham	6.95-7.01	3.6720-3.6740	Yugoslavia	86-92

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 30	% change from central rate	% change adjusted for divergence	Divergence limit %
[Belg]ian Franc	40.7572	41.5058	+1.84	+1.02	±1.5388
[Dan]ish Krone	7.91117	7.95239	+0.52	−0.30	±1.6412
[Ger]man D-Mark	2.40989	2.44564	+1.48	+0.66	±1.1077
[Fre]nch Franc	6.17443	6.19455	+0.33	−0.49	±1.3733
[Dut]ch Guilder	2.66382	2.68643	+0.85	+0.03	±1.5063
[Irish] Punt	0.684452	0.687085	+0.38	−0.44	±1.6688
[Itali]an Lira	1300.67	1304.61	+0.30	+0.27	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for December 30 ... 0.567694

[E]XCHANGE CROSS RATES

Dec. 30	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
[Pou]nd Sterling	1	1.913	4.305	420.0	10.93	3.440	4.725	2310.	2.263	73.55
[U.S.] Dollar	0.523	1.	2.250	219.5	5.714	1.798	2.470	1207.	1.183	38.45
[Deu]tschemark	0.232	0.444	1.	97.56	2.539	0.799	1.098	536.5	0.526	17.08
[Jap]anese Yen 1,000	2.381	4.555	10.25	1000.	26.02	8.190	11.25	5499.	5.388	175.1
[Fre]nch Franc 10	0.915	1.750	3.939	384.3	10.	3.147	4.323	2113.	2.070	67.29
[Swi]ss Franc	0.291	0.556	1.251	122.1	3.177	1.	1.374	671.4	0.658	21.38
[Dutch Guilder]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.	488.8	0.479	15.57
[Itali]an Lira 1,000	0.433	0.828	1.864	181.9	4.733	1.489	2.046	1000.	0.980	31.85
[Can]adian Dollar	0.442	0.845	1.902	185.6	4.830	1.520	2.088	1021.	1.	32.50
[Belg]ian Franc 100	1.360	2.601	5.853	571.0	14.86	4.677	6.424	3140.	3.077	100.

[F]T LONDON INTERBANK FIXING (11.00 a.m. DECEMBER 30)

3 months U.S. dollars		6 months U.S. dollars	
bid 13 15/16	offer 13 15/16	bid 14 15/16	offer 14 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

[EU]RO-CURRENCY INTEREST RATES (Market closing Rates)

Dec. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
[Sho]rt term	14⅜-14⅝	12⅞-15⅛	9-11	10¼-10½	25-27	10¼-10⅜	15-15½	10-17	15⅞-17⅝	5¼-5¾
[7] days' notice	14¾-14⅞	13-13¼	9-11	10¼-10½	5-5½	10⅜-10½	15-15½	18½-21½	17-20	6⅛-6⅝
[Mo]nth	15⅜-15½	13¼-13½	15⅜-15⅝	10⁷⁄₁₆-10⁹⁄₁₆	8¾-8⅞	10½-10⅝	15½-16	21¾-23¼	20¾-24	6¼-6⅝
[Th]ree months	15⁵⁄₁₆-15¹¹⁄₁₆	13¹³⁄₁₆-14¹⁄₁₆	15⅝-15¾	10⁹⁄₁₆-10¹¹⁄₁₆	9¼-9⅜	10½-10⅝	16¾-17¼	23¼-24¼	20-22½	6⁵⁄₁₆-6⁹⁄₁₆
[Six] months	15⁵⁄₁₆-15¹¹⁄₁₆	14¹⁄₁₆-15¹⁄₁₆	16⅜-16¾	10¹³⁄₁₆-11¹⁄₁₆	9⅛-9⅜	10⅜-10¾	18⅛-18⅝	23⅞-24⅞	20-21¼	6⁹⁄₁₆-7¹⁄₁₆
[On]e Year	15⅜-15½	14¾-15	16⅜-16⅝	11-11⅛	8⅝-8¾	10⅝-10½	18⅜-18⅞	24-25	18-19⅝	7-7⅛

[SD]R linked deposits: one month 12¾-12⅞ per cent; three months 12⅝-13⅛ per cent; six months 13⅜-13¾ per cent; one year 13⅝-13¹¹⁄₁₆ per cent.

[EC]U linked deposits: one month 14⁵⁄₁₆-14⁹⁄₁₆ per cent; three months 14⁷⁄₁₆-14¹¹⁄₁₆ per cent; six months 14¹¹⁄₁₆-15⅟₁₆ per cent; one year 14⅞-14¹⁵⁄₁₆ per cent.

Asian $ (closing rates in Singapore): one month 13⅝-13½ per cent; three months 13¾-14 per cent; six months 14⅜-14⅞ per cent; one year 14⅜-14⅞ per cent. [Lon]g-term Eurodollar two years 15-15¼ per cent; three years 15⅛-15⅜ per cent; four years 15⅜-15½ per cent; five years 15⅜-15⅝ per cent nominal closing rates. The following nominal rates were quoted for London dollar certificates of deposit: one month 13.15-13.25 per cent; three months 13.60-13.70 per cent; six [mo]nths 14.20-14.30 per cent; one year 14.28-14.40.

[M]ONEY MARKETS

London rates ease

London clearing bank base lending rates 14½ per cent (since December 4)

[I]nterest rates showed an easier [tre]nd in the London money [ma]rket yesterday helped by the [ab]undant supply of day-to-day [cr]edit and the decline in short-[ter]m Eurodollar rates.

[I]nterbank overnight money [op]ened at 14⅞-14½ per cent, and [hel]d for most of the day, before [fin]ishing at 1-5 per cent. Discount [ho]uses paid 14 per cent for early [sec]ured call funds, but picked up [lat]e balances at 1-5 per cent.

[O]ne-week interbank money [eased] to 14½-14⅞ per cent from 14⅞-[15]¼ per cent, and three-month [to] 15¹¹⁄₁₆-15⅞ per cent from 15¾-[16] per cent, while discount [ho]uses buying rates for three-[mo]nth eligible bank bills [dec]lined to 14⅞-14¹⁵⁄₁₆ per cent [fro]m 15 per cent.

[I]n the morning the authorities [for]ecast a money market surplus [of] around £200m, and suggested [tha]t the main factors were: bills [ma]turing in official hands and a [net] take-up of Treasury bills [−£]240m, offset by Exchequer [tra]nsactions +£40m and a fall [in] the note circulation +£100m. [Th]e extra funds making up the [sur]plus probably reflected the [lar]ge surplus balances brought [for]ward by the banks.

The Bank of England did not operate in the market during the morning, and probably left a further surplus in the banking system when it sold only £100m of Treasury bills maturing on January 4 at 14-14½ per cent in the afternoon.

In Frankfurt call money fell sharply on technical year-end factors. Many banks have already fulfilled their minimum reserve requirements for December and this pushed day-to-day funds down to a low of 7 per cent from 10.45 per cent. The easy conditions were not influenced by the securities offered under a new repurchase plan by the Bundesbank yesterday. Funds will not be available under the offer from the central bank until the start of the new banking month on January 4, when they will replace an existing repurchase plan for DM 3.4bn expiring on January 12. Total bids were DM 10.8bn yesterday, and the Bundesbank accepted tenders for DM 4.6bn at a rate of 10½ per cent. This will add liquidity to the market for 35 days until February 8.

In Paris the Bank of France cut its money market intervention rate once again. On Tuesday the rate was reduced to 14¾ per cent from 15 per cent, and yesterday a further cut of ¼ per cent was made when the central bank offered to buy FFr 10bn of first category paper maturing between January 21 and 30 at 14½ per cent. Despite this, call money rose to 15½ per cent rom 15⅜ per cent but fixed period rates were easier.

GOLD

Small rise

Gold rose $3.75 an ounce in the London bullion market yesterday in quiet and featureless trading. The metal opened at $396-397 and was fixed at $397.25 in the morning and $397.50 in the afternoon, having traded within a narrow band during the day.

In Paris the 12½ kilo bar was fixed at FFr 74,000 per kilo ($400.42 per ounce) in the afternoon compared with FFr 74,000 ($402.03) in the morning and FFr 74,500 ($403.26) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 29,070 per kilo ($399.03 per ounce) against DM 29,060 ($398.01) previously and closed at $397-398 from $395-396.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $397.50 against $395.50 on Tuesday.

In Zurich gold finished at $396-399 compared with $395-396.

	Dec. 30		Dec. 29	
Gold Bullion (fine ounce)				
Close	$397¾-398¾	(£209-209½)	$394-395	(£208-208½)
Opening	$396-397	(£208¼-208¾)	$395-396	(£208⅝-209⅛)
Morning fixing	$397.25	(£208.804)	$396.25	(£209.324)
Afternoon fixing	$397.50	(£208.826)	$395	(£208.995)
Gold Coins				
Krugerrand	$409½-410½	(£215-215½)	$407-408	(£215¼-215¾)
1/2 Krugerrand	$211-212	(£110¾-111¼)	$209½-210½	(£110¾-111¼)
1/4 Krugerrand	$107-108	(£56½-57)	$106½-107½	(£56¼-56¾)
1/10 Krugerrand	$44-45	(£23-23½)	$43½-44½	(£23-23½)
Mapleleaf	$410½-411½	(£215½-216)	$408-409	(£215¾-216½)
New Sovereigns	$97¾-98¼	(£51¼-51¾)	$97½-98	(£51½-51¾)
King Sovereigns	$113-114	(£59¼-59¾)	$113-114	(£59¾-60¼)
Victoria Sovs.	$113-114	(£59¼-59¾)	$113-114	(£59¾-60¼)
French 20s	$96-106	(£50½-55½)	$96-106	(£50¾-56)
50 pesos Mexico	$492-495	(£258½-260)	$492-495	(£260¼-262)
100 Cor. Austria	$386-389	(£202¾-204¼)	$386-389	(£203¾-205¾)
20 Eagles	$509-514	(£267¼-270)	$507-512	(£268¼-270¾)

LONDON MONEY RATES

Dec. 30 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	1-14½	13¾-14¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	—	—	14½-14⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	—	14½-14¾	15⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	15⅛-15¼	15¼-15½	15¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	15⅝-15½	15⅛-15⅜	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	15¹¹⁄₁₆-15⅝	15⁹⁄₁₆-15⅞	15¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	15⅝-15½	15⅝-15¹³⁄₁₆	15⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	15⅜-15⁷⁄₁₆	15⅜-15⅝	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	15⁵⁄₁₆-15⁷⁄₁₆	15⅜-15⅝	15⅜	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	—	15⅜	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 15⅝ per cent; four years [illegible] ... buying rates for prime paper. Buying rates for four-month bank bills [illegible] ...

Approximate selling rate for one month Treasury bills 14⅜-14¼ per cent. Approximate selling rate for one month bank bills [illegible] and three months 14⅝-14¹¹⁄₁₆ per cent; one month trade bills [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) [illegible] Clearing Bank Deposit Rates for sums at seven days' notice [illegible] cent. Treasury Bills: Average tender rates of discount [illegible]

[MO]NEY RATES

[NE]W YORK	
[Prime] rate	15¾
[Fed] funds	12⅞-13⅛
[Trea]sury bills (13-week)	11.64
[Trea]sury bills (26-week)	12.38
[GE]RMANY	
[Spe]cial Lombard	10.50
[Over]night rate	7-10
[One] month	12.05
[Thre]e months	11.075
[Six] months	11.10
[FR]ANCE	
[Inte]rvention rate	14.75
[Ove]rnight rate	15.5
[One] month	15.25
[Thre]e months	15.25
[Six] months	15.25
[JAP]AN	
[Dis]count rate	5.5
[Call] (unconditional)	6.90625
[Bill] discount (three-month)	6.65625

APPOINTMENTS

Company secretary of Booker McConnell

Mr P. W. Ryder becomes company secretary of BOOKER McCONNELL from January 1. Mr C. L. Lee will, from the same date, be appointed secretary to the executive committee of the board of Booker McConnell, in addition to his present responsibilities as planning executive.

★

ULSTER BANK has appointed Mr Michael Meagher as deputy chief executive. He has been a director of Ulster Bank since 1978 and is the chief executive of Ulster Investment Bank, the Ulster Bank merchant banking subsidiary.

★

Mr John L. Joseph the local director and manager of the Maltese subsidiary has been appointed to the board of B. PARADISE, the parent company.

★

UB DISTRIBUTION SERVICES (part of the United Biscuits Group) has made the following appointments: Mr Arthur Smith, group managing director of Roadline, and Mr David Garman, operating manager have been appointed regional directors. Mr Stephen Yates has been appointed development director.

★

WORCESTER PARSONS a subsidiary of McKECHNIE BROTHERS states that Mr W. N. Ismay, managing director, will be retiring in February. Mr F. D. Duffield has been appointed managing director designate from December 1. Mr Duffield was managing director of Joseph Adamson.

★

Mr L. Nicholson has been appointed group managing director of COMPASS PAGET from January 1. Mr J. E. Lund has been appointed to the board and becomes general manager.

★

Mr M. A. Bishop, regional manager Western Australian administration, has been appointed manager, corporate lending in London for the NATIONAL BANK OF AUSTRALASIA.

★

Mr R. G. Arend has been appointed vice-president of the London branch of UNION BANK OF SWITZERLAND from January 1.

★

Mr D. G. Reid is appointed to the board of ARBUTHNOT ASSURANCE CONSULTANTS, from January 1.

★

Mr T. M. Glen has resigned as managing director of SCOTTISH COLORFOTO and its subsidiaries, but continues as executive chairman of the company. Mr D. A. Logie and Mr W. S. McLean have been appointed joint managing directors. Mr Logie continues to have responsibility for production and Mr McLean for sales and marketing.

★

Mr J. H. Cheaney has retired as a director of CHURCH AND CO. Mr Wilfred Coe has been appointed a director of the company from January 1.

★

Mr Katsuyoshi Naito, of Sumitomo Bank, Tokyo, has been appointed director and general manager of JAPAN INTERNATIONAL BANK, London, in succession to Mr Riichiro Kawashima who returns to Tokai Bank, Tokyo. Mr Hiroshi Takatori, of Tokai Bank, Tokyo, has been appointed director, assistant general manager and secretary in succession to Mr Shigeo Oishi who returns to Sumitomo Bank, Tokyo. These appointments are from January 4.

★

Mr John H. Peart, chairman of F. Peart and Co, Hartlepool, has been appointed to the board of TEES AND HARTLEPOOL PORT AUTHORITY.

★

BAXTER, FELL AND CO has made the following appointments: Mr A. J. Smyth-Tyrrell is appointed group managing director from January 1 following the resignation of Mr K. H. Baker as deputy chairman and joint managing director. Mr Baker remains on the board as a non-executive director. Mr A. J. Smyth-Tyrrell succeeds Mr K. H. Baker as chairman of ESTEL UK from January 1.

★

The Lord Chancellor has appointed Mr T. M. Coventry a full-time chairman of INDUSTRIAL TRIBUNALS in the Manchester region from January 4.

★

Mr William D. Bertram has been appointed to the board and Mr Graham T. Forbes has been appointed executive director and general manager of WOOD WEIR ENGINEERING SERVICES, a member of the John Wood Group.

★

Mr André P. de Clermont, an associate director of Spink and Son, has been appointed a director from January 1.

★

BARING BROTHERS AND CO has appointed the following managers, from January 1: Mr R. M. S. Allanson, Mr R. N. Bates, Mr N. D. Broadhead, Mr B. J. Brook, Mr G. J. W. Gunn and Mr B. D. Hatley.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281
Europe-Obligations | US$45.49 | +0.02 | 1.80

Eurotax Investments Ltd.
1, Athol St., Douglas, Isle of Man.

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.
L.J. Sterling Fund | £14.19 | 14.20 | — | —

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706

Save & Prosper International
Dealing to:
P.O Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds
Deutschmark Bd. | DM9.10 | 9.62 | −0.06 | 5.72
Dlr. Fxd. Int. | US$7.27 | 7.75 | — | 9.66
St. Fixed | 92.4 | 97.8 | — | 14.31
Yen Bond | Y1,228 | 1,293 | −2 | 3.87

[illegible]

WORLD STOCK MARKETS

Wall St mixed at mid-ses

STOCKS CONTINUED mixed at mid-session on Wall Street as tax-loss selling and year-end portfolio adjustments persisetd.

The Dow Jones Industrial Average was up 5.13 to 873.38 at 1 pm but other indices were mixed. Declines narrowly edged out advances as volume increased to 35.68m, against 25.95m on Tuesday.

The NYSE All Common Index was 23 cents higher at $70.81.

The market was operating against a background of primarily negative news, including continued firmness in interest rates, a weak bond market, a glum economic situation and uncertainty regarding Soviet reaction to trade sanctions imposed by President Reagan.

However, some analysts remain confident that a year-end rally will appear, though later than usual, once tax-loss selling dries up.

The divergence between the D-J Average and breadth figures was a function of tax selling, which centred on second tier stocks rather than the Blue Chip and basic industry issues, most of which showed only fractional price changes.

Most of the most active stocks had gains, including GM, up ⅛ to $38⅞, IBM, ⅞ to $56⅞, LTV, ⅜ to $16⅛, American Airlines, ⅛ to $10⅞, Searle, ⅛ to $31, and RCA, ⅜ to $17⅜.

Duke Power was the volume leader due to a block of 3,335,000 shares that moved at $20⅜, unchanged. The shares, which were sold by the utility as part of a bond exchange, comprised the second largest block ever moved on the NYSE.

Computer stocks were strong. Digital Equipment added 1⅛ to $86⅛, Storage Technology ⅞ to $35⅛, Honeywell ½ to $70 and Texas Instruments ¾ to $81⅛.

THE AMERICAN SE Market Value Index was 0.54 ahead to 317.03 at 1 pm as volume rose to 4.3m shares (3.84m).

Canada

Stocks rose slightly with some recovery in the Gold index, which slumped sharply on Tuesday.

The Toronto Composite index added 4.9 to 1,941.5 at mid-session on light trading of 981,463 shares (1.29m). Gainers led losers 162 to 127.

The Gold index was up 28.1 to 2,884.9 after falling 227.5 on Tuesday because of the recent weakness in gold prices. Oil and Gas rose 10.5 to 3,687.9, Metals 1.5 to 1,817.1 and Real Estate and Construction 50.1 to 6,531.9.

Among the bigger changes in the Mining issues, Campbell Red Lake Mines rose ¼ to C$18, Camflo Mines gained ⅜ to C$17¾, and Dome Mines was up ¼ at C$18⅛.

The offer by Villacentres for American Eagle Petroleums at C$4 per share was over-subscribed.

Trading resumed in Canadian Realty after disclosure that Commercial Finance Corp plans a bid for all the units. Canadian Realty was C$5½, up from the C$4.90 at the halt.

Germany

Leading shares closed mixed after a dull last session of the year, though the Chemical and Auto sectors showed an overall easier tone.

The Commerzbank Index rose 0.7 to 675.20, compared with 685.40 at the end of the first trading day of 1981.

Dealers reported some end-year price grooming operations, with Metallgesellschaft finishing at DM 273, up DM 8 on the previous close having risen DM 10 on Tuesday.

In Banks, Dresdner was unchanged at DM 131.50, while Deutsche was 0.90 up at DM 262.50 and Commerzbank 0.40 down at DM 128.10.

Daimler finished DM 3 down at DM 285 in Autos, VW one down at DM 132 and BMW DM 1.50 down at DM 190.50. In Chemicals, BASF fell 0.90 to DM 136.10, Hoechst DM 1 to DM 120.50 and Bayer 0.20 to DM 115.

In Electricals, AEG fell DM 1.70 to DM 44, while in Engineerings Mannesmann, joint general contractor for the Siberian gas pipeline project, ended DM 2 lower at DM 151.

Linde was DM 5 up at DM 320 and GHH DM 1 lower at DM 208.50, while in Stores Kaufhof was DM 3.20 down at DM 146 and Horten DM 3 down at DM 114.50.

On the domestic bond market dealers reported dull trading during the last session of the year, with prices of public authority loans fluctuating narrowly between plus and minus 0.30 points.

The Bundesbank sold DM 3.4m of paper in Frankfurt and DM 15.1 in the whole of West Germany after selling DM 11 in Frankfurt on Tuesday.

Markets in Tokyo are closed until January 4

Paris

Share prices closed lower with profit-taking outweighing the effects of continuing share purchases under the "Monory law."

Banks and Finance Houses were lower and Stores and Mechanical Engineerings were mixed.

Building shares fell sharply with Bouygues lower in spite of predicting a higher 1981 net profit.

Esso fell among Oils. Utilities were lower.

The airline UTA was unquoted for the second day due to an influx of buying orders.

In Foreign stocks U.S., West German and Dutch were lower while Gold Mines and Oils closed steady and Coppers were mixed.

Hong Kong

The stock market closed little changed in low year-end volume. The Hang ... to 1,415.3...

Traders sidelined ... holiday, ... stimulus ... featureles...

Leaders ... slightly e... Utilities. ... HK$29 an... 25c to H... Electric ... ended un... HK$5.45 ...tively.

Cheung ... HK$21.80 ... Whampoa ... and Jardi... HK$20.40. ... to HK$14.

Second ... little char...

Austra...

Stocks ... balance ir... chief mar... Ordinaries ... 595.1.

Selected ... major Mi... direction. ... traded in ... range.

Market ... cents to ... CSR slipp...

Among ... A$1.70, H... A$7.00, W... at A$1.27, ... A$1.45, S... A$6.76, Cl... A$1.55 and ... A$11.00.

Johan...

Shares c... easier, wi... after a mo...

Heavyw... down 35c ... Reefs up ... priced is... lower at ... day's clo... down at ...

Mining ... steady wi... R16.05

Closing prices for North America were not available for this edition.

Indices

NEW YORK —DOW JONES

	Dec. 29	Dec. 28	Dec. 24	Dec. 23	Dec. 22	Dec. 21	1981 High	1981 Low	Since Cmpl't'n High	Since Cmpl't'n Low
♦Industr'ls	868.25	870.34	875.58	869.67	871.96	873.10	1024.05 (27/4)	824.01 (25/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	58.96	57.40	57.22	57.37	57.57	57.71	65.78 (15/1)	54.99 (1/10)	—	—
Transport..	378.51	378.44	380.58	380.59	382.50	386.50	447.38 (16/4)	335.48 (25/9)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	109.86	109.81	109.85	109.59	109.87	109.59	117.81 (5/1)	101.28 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	36,300	28,320	23,940	42,910	46,320	41,280	—	—	—	—

♦Day's high 875.67, low 864.44.

	Dec. 25	Dec. 18	Dec. 11	Year ago (approx
Ind. div. yield %	6.35	6.34	6.26	5.65

STANDARD AND POORS

	Dec. 29	Dec. 28	Dec. 24	Dec. 23	Dec. 22	Dec. 21	1981 High	1981 Low	Since Cmpl't'n High	Since Cmpl't'n Low
Indust'ls...	136.08	136.74	137.09	136.80	137.43	137.95	157.02 (6/1)	128.49 (24/9)	160.98 (28/11/80)	3.52 (30/6/32)
Composite	121.87	122.27	122.54	122.31	122.88	123.34	138.12 (6/1)	115.01 (24/9)	140.52 (28/11/80)	4.402 (1/6/32)

	Dec. 23	Dec. 16	Dec. 9	Year ago (approx
Ind. div. yield %	5.35	5.33	5.16	4.36
Ind. P/E Ratio	8.24	8.34	8.45	9.57
Long Gov. Bond yield	13.60	13.04	13.19	11.75

NY. S.E. ALL COMMON

Dec. 29	Dec. 28	Dec. 24	Dec. 23	1981 High	1981 Low
70.58	70.94	71.11	70.97	79.14 (6/1)	64.96 (25/9)

Rises and Falls

	Dec. 29	Dec. 28	Dec. 24
Issues Traded	1,973	1,934	1,888
Rises	543	567	775
Falls	980	899	641
Unchanged	450	468	472
New Highs	12	11	10
New Lows	26	27	15

MONTREAL

	Dec. 29	Dec. 28	Dec. 24	Dec. 23	1981 High	1981 Low
Industrials	331.39	(c)	333.73	333.01	403.56 (27/5)	310.21 (25/9)
Combined	315.07	(c)	316.45	315.78	375.28 (15/8)	295.97 (25/9)
TORONTO Composite	1936.6	(c)	1,962.0	1,946.6	2376.8 (16/4)	1812.48 (25/9)

	Dec. 30	Dec. 29	Dec. 28	Dec. 24	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	596.1	593.3	(c)	592.7	737.5 (5/4)	545.8 (29/10)
Metal & Minrls (1/1/80)	427.6	426.5	(c)	427.6	755.2 (7/1)	404.5 (20/11)
AUSTRIA						
Credit Aktien (2/1/62)	57.15	56.77	56.55	(c)	66.45 (6/1)	53.64 (15/10)
BELGIUM						
Belgian SE (31/12/63)	87.24	86.36	86.00	(c)	87.28 (16/12)	69.53 (15/5)
DENMARK						
Copenhagen SE (1/1/73)	118.77	118.79	106.87	(c)	123.36 (17/12)	95.88 (2/1)
FRANCE						
CAC General (29/12/61)	93.0	93.7	93.5	92.4	112.5 (17/5)	77.3 (15/6)
Ind Tendance (31/12/80)	100.1	101.2	101.7	100.8	108.5 (10/8)	79.2 (12/6)
GERMANY						
FAZ-Aktien (31/12/58)	221.06	220.35	221.22	(c)	243.47 (5/7)	215.93 (9/2)
Commerzbank (Dec 1953)	676.2	674.5	675.9	(c)	749.8 (5/7)	656.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	84.8	84.7	84.5	84.1	98.8 (28/8)	78.5 (28/9)
ANP-CBS Indust (1970)	63.1	63.1	63.0	62.2	76.4 (22/8)	61.4 (22/12)
HONG KONG						
Hang Seng Bank (31/7/64)	1415.51	1412.78	1406.11	1376.59	1810.20 (17/7)	1115.77 (5/10)
ITALY						
Banca Comm Ita. (1972)	190.43	193.15	192.34	(c)	292.05 (5/6)	166.44 (24/7)
JAPAN**						
Dow Average (16/5/49)	(c)	(c)	7681.84	7662.48	8019.14 (17/8)	6956.52 (13/3)
Tokyo New SE (4/1/68)	(c)	(c)	570.31	568.25	603.92 (17/8)	495.79 (5/1)
NORWAY						
Oslo SE (1/1/72)	126.81	126.69	127.42	(c)	145.72 (6/8)	110.34 (5/6)
SINGAPORE						
Straits Times (1966)	776.80	772.76	775.92	776.07	873.26 (26/8)	615.26 (1/9)
SOUTH AFRICA						
Gold (1958)	(u)	570.5	580.3	585.2	797.6 (7/1)	476.8 (3/7)
Industrial (1958)	(u)	702.2	705.2	702.1	793.4 (21/10)	537.2 (3/2)
SPAIN						
Madrid SE (30/12/80)	124.05	125.51	(c)	(c)	146.75 (8/8)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	612.94	609.52	610.88	(c)	680.51 (10/8)	404.17 (29/1)
Switzerland						
Swiss Bank Cpn. (31/12/58)	259.9	258.8	259.4	(c)	304.2 (2/4)	242.8 (17/11)
WORLD						
Capital Intl. (1/1/70)	—	—	149.0	149.1	162.8 (8/1)	133.8 (28/9)

(**) Sat Dec 26: Japan Dow (7,657.90); TSE (567.95).

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ♦ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Gen. Motors	782,700	38½	+ ¼	Warner Com.	362,600	52⅛	−1¾
Perkin-Elm	696,900	25⅞	− ½	Sears Roe.	334,200	15⅞	− ⅛
Phil Pete	459,100	40⅞	+1	Credit Fin.	298,200	12	—
IBM	395,700	56	− ½	Noest Util.	296,700	8⅞	− ⅛
Exxon	387,000	31	+ ¼	Gulf St. Ut.	289,200	12	+ ⅛

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SWEDEN

GERMANY

JAPAN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

COMMODITIES AND AGRICULTURE

U.S. futures body to discuss fees

WASHINGTON — The Commodity Futures Trading Commission (CFTC) next month will again discuss ways to impose fees in futures markets in an effort to accommodate the White House's insistence that Government costs be cut.

Officials at the regulatory agency expect a staff document, being prepared by the Division of Trading and Markets for an open meeting on January 26, will not be a definitive statement on how the CFTC will approach futures charges.

The decision whether to impose a fee structure will rest either with the White House's Office of Management and Budget or with Congress as it takes up CFTC reauthorisation next year, they said.

It will, however, contain more information than an earlier report, discussed at a November meeting, which dealt with fees in securities and other areas.

Although CFTC staff members said the process of developing a fee system is still underway, the report is expected to contain specific recommendations as to which candidates in the futures community should bear the costs.

The futures industry expects the suggestions to be very restricted, with references made to ways the National Futures Association (NFA), a new self-policing organisation, may assume some regulatory costs once it gets underway.

Reuter

Seaweed company back in Orkney

ALGINATE INDUSTRIES, the seaweed processing firm which pulled out of Orkney 18 months ago, is to resume purchases of tangles (coarse seaweed) from the islands.

Part-time collectors of the seaweed will be offered £60 per tonne. Tangles, however, will have to be air-dried to a much greater extent than was traditional in the years between 1947 and 1980, when Alginate operated in Orkney.

Alginate may not find it so easy this time, however, for since its abrupt withdrawal from the islands in mid-1980, the Orkney Islands Council has been negotiating with a Norwegian company and made commitments which, said Orkney's Isle convener, Mr Edwin Eunson in Kirkwall yesterday, [illegible]

Investment limits on farm grants raised

BY OUR COMMODITIES STAFF

THE GOVERNMENT has announced increases in investment limits for capital grants under the agriculture and horticulture grant scheme (AHGS), the agriculture and horticulture development scheme (AHDS) and the farm and horticulture development scheme (FHDS).

Under the AHGS, the maximum amount of investment eligible for aid in the two year period dating back from the date of receipt of a claim will from January 1 be £46,480, up from £32,540, per labour unit. This will continue to be subject to a per-business limit of £98,985 over a six year period from February 1, 1980.

Under the AHDS and FHDS the general limit per labour unit for investment plans received before January 1, 1982, goes up to £34,094 per labour unit from £32,540 and for those received after that date to £46,480 per labour unit. In both cases the per-business limit stays at £136,104.

The minimum investment eligible for grant remains at £1,000. Other changes are in the grants for keeping farm accounts which go up to £177 for the first year and £103 for the second, third and fourth years.

The charge for the Agricultural Development and Advisory Service plan preparation service will be increased from £11.03 to £11.73 per hour, plus VAT.

Comparable incomes under both schemes have been determined for 1982 at £6,300 for Great Britain (up from £5,800 in 1981) and £5,800 for Northern Ireland (up from £5,400). These figures are used to assess eligibility under the AHDS and are increased by 2 per cent for each year of the life of a development plan in order to arrive at the income per labour unit to be achieved on completion of the plan. They are also used to assess eligibility under the AHGS of applicants from less-favoured areas for special higher rates of grant for certain works and facilities in those areas.

The National Farmers' Union said yesterday that while it welcomed any increase in capital grants, it felt they were still too heavily restricted.

The increased per-labour-unit limits would help some smaller farmers, it said, but larger farmers would still run up against the per-business limits. It was particularly worried that this might restrict the development of much-needed drainage schemes.

The per-labour-unit limit, introduced in 1974, was a sensible limit on expenditure, it said. But the per-business limits, introduced as part of the Government's financial stringency policy a couple of years ago, tended to detract from the effectiveness of the whole scheme.

Court threat from tachograph law

FINANCIAL TIMES REPORTER

FARMERS HAVE been warned that they may have to appear in court to establish the finer points of the new tachograph law which comes into force at the end of the year.

Under the new law, farmers attending local markets are exempt from installing the £200 tachographs in their lorries.

But the Farmers' Union of Wales says it has been unable to establish what is meant by "local," since some farmers have to travel fair distances to sell specific items at particular markets.

The union has been told the word's meaning will have to be tested in the courts.

But the NFU said it was unfair that farmers should have to pay legal fees and possibly fines just because of a piece of legislation was so vague.

Softs ease in holiday lull

By Our Commodities Staff

LONDON'S LEADING soft (non-metal) commodity markets eased yesterday as trading continued in the holiday doldrums.

Uncertainty about the Polish situation was reported to have inhibited business on the sugar market where the March futures position ended £1.125 down at £173.925 a tonne. The lower tone was mirrored in early New York trading.

March delivery cocoa futures ended £9 down at £1,131.50 a tonne mainly reflecting the steadier tone in sterling. Spot December, which expires today, showed an exceptional £15 loss.

At least two Ivory Coast vessels were reported to be discharging cargo in Amsterdam, and though most of this material is thought already to have been earmarked for end buyers, the reports encouraged the lower market tone.

Robusta coffee futures also fell with the March position ending £7.50 down at £1,143 a tonne. Dealers described the markets, both in London and New York, as dull and featureless.

In Washington, meanwhile, the U.S. Agriculture Department forecast that Ecuador's 1982-83 coffee exports would rise to 1.25m bags (60 kilos each) from 1.15m this season and 1.05m in 1980-81.

End sought to wildfowl ban

By Our Own Correspondent

BRITAIN'S wildfowlers, annoyed about a two-week ban on shooting, are pressing Environment Secretary, Mr Michael Heseltine, to lift the ban now that the thaw has arrived.

They want the restriction raised in time to allow New Year shoots to go ahead. The ban, introduced on December 22 because of the effect on wildlife of the severe weather, is due to continue until next Tuesday.

The British Field Sports Society said yesterday that the ban on the shooting of wildfowl and waders, including woodcock and snipe, was no longer necessary.

The society's chairman, Sir Marcus Kimball, Conservative MP for Gainsborough, is putting their case to Mr Heseltine.

FARMER'S VIEWPOINT

The solution to cereal surplus

THE NATIONAL FARMERS' Union has joined with the European farm lobby, COPA, in calling for levies and other controls on the cereal substitutes imported into the Community. The most important of these are tapioca, maize gluten, soyabean meal and wheat feeds which are allowed in either tariff-free or at very low levy rates.

Tapioca, for instance, has a levy limited to 6 per cent under a GATT binding.

The NFU argues that these imports are the main cause of the need to export cereals on to world markets with the help of massive subsidies and that if they attracted a levy, as do feed and bread grains from third countries, they would provide no competition and exports would not be needed.

At present grain exports from the Community of 15m tonnes are balanced by the same quantities of imported substitutes.

It is an issue in which I am delicately placed. More than 60 per cent of my farm's income derives from the sale of livestock products and two thirds of this is from pigs, which depend entirely for their profit on the levy of feed prices.

In British farming overall about 70 per cent of all sales are from the livestock sector, which would benefit from cheaper feed prices. On balance I don't wish to see cereals any dearer.

The NFU fears that should these imports be allowed to grow unchecked, the animal feed industry could equate with that in Holland where less than 20 per cent of feed rations consist of cereals as against about 50 per cent in the UK.

So far the UK substitute imports have been modest and are unlikely to reach more than ½m tonnes during the current cereal year.

But this is not due to any deliberate policy by feed compounders—it's simply because they have come rather late into the market, as until recently cereal prices were much lower in Britain.

The Dutch and Germans set out to control as much as they could of the world trade in tapioca in particular by providing processing facilities in Thailand and elsewhere. They saw that cereals would have to be replaced under the Common Agricultural Policy.

The main suppliers of tapioca are developing countries such as Thailand and Indonesia, but other tropical countries are beginning to follow suit. Any move to increase duties on tapioca would arouse a storm of protest from the Third World.

The late Finn Gundelach, when Agricultural Commissioner did negotiate a voluntary restriction of Thai exports not long before his death. But this has not proved effective and imports into the Community are rising. This year they will be about 6.5m tonnes.

Offers to this country are also on the increase and any one with the facilities to handle this material could well replace cereals in feed rations. The price of tapioca delivered has been falling, another indication of increasing supply.

The growth of the tapioca industry has been stimulated by the protection against cereal imports which the CAP provides for farmers. For instance the threshold price of maize from third countries imported into the UK is £129 per tonne. But the world price for maize landed at Rotterdam is £63 per tonne. The British intervention price for feed grain for January is £109 per tonne delivered. This compares with a competitive price for tapioca at around £93 per tonne.

Tapioca is not directly comparable with cereals, as it lacks protein but this can be added and still leave a worthwhile margin over using cereals.

But not all substitutes are really cereal equivalents. Soyabean meal is a variable source of protein, it is also for the most part imported from the U.S., which is a much more serious opponent in the councils of GATT than Third World countries.

There is some logic in controlling tapioca imports in the interest of supporting the Community's cereal market, but none in making oilseeds and their derivatives more expensive.

Yet these imports are being attacked from several directions. There is a belief that much of the milk surplus has been stimulated by the use of soya meal in dairy rations. If it could be made more expensive less might be used and so milk production would drop. There is also a long-standing demand that edible oils should be taxed so as to make the world easier for butter and for olive oil as well.

This could reduce the importation of beans to be processed in Europe and also the meal available.

Any such action would be very serious for the pig and poultry sector which makes use of the high protein imports. It is astonishing that neither the NFU nor COPA has tried to differentiate between the substitutes of which they are complaining.

As a long-term solution to the cereal surplus problem the Commission has suggested that Community cereal prices should be allowed to fall in real terms so that they equated with world prices for grain. This would undoubtedly remove the attractions of the Community markets for the producers particularly of tapioca and would increase the consumption of European-grown cereals and remove all need for expensively subsidised exports.

John Cherrington

African economy worsens

ADDIS ABABA—Falling commodity prices and catastrophic agricultural conditions contributed to the worsening economic performance of many African countries this year, executive secretary of the Economic Commission for Africa (ECA) Adebayo Adedeji said.

In an end-of-the-year report, he said non-oil producing African countries registered average economic growth of only 2 per cent.

He blamed a decrease in prices of Africa's main exports and rising oil prices as factors "contributing to economic ruin for many African countries in 1981."

● Meanwhile Taiwan has set a target of 6.09m tonnes for grain imports next year, up from this year's 5.7m tonnes, the Board of Foreign Trade (BOFT) said.

According to the target, Taiwan will increase its import of maize to 2.93m tonnes next year from this year's estimated 2.8m tonnes, while imports of wheat will rise to 660,000 tonnes from 605,000 tonnes, barley to 440,000 tonnes from 370,000 tonnes, sorghum to 960,000 tonnes from 920,000 tonnes and soyabeans to 1.1m tonnes from 1.05m tonnes. Reuter

Ministry visit to Israel

MRS PEGGY FENNER, Parliamentary Secretary at the Ministry of Agriculture, is to begin a three-day official visit to Israel on Saturday. The purpose of the trip, on which she will be accompanied by Mr Joe Saphir, a leading British horticultural marketing businessman, is to promote agricultural trade and good will between the two countries.

Active trading in tin

BY ROY HODSON

THE ONGOING saga of the abnormal tin trading—international markets have now been dominated by a buying operation to support prices for six months—took a further turn on the London Metal Exchange yesterday.

The influential buyer took some 1,000 tonnes of cash tin from fresh supplies of the metal newlyl-arrived from the U.S. and the Far East. Meanwhile there was trade hedge selling of three months delivery tin. The outcome of the combination of trading fatcors was a widening of the backwardation (a situation in which cash metal commands a higher price than metal for forward delivery).

At one point during the day's trading the backwardation reached £425 and at the close it stood at £395. Cash tin closed at £8,340, a fall of £12.50 on the day, and tin for three months delivery closed at £7,945, a fall of £72.50.

Trading in other base metals was generally quiet.

Aluminium prices were virtually unaffected by the news that 100,000 annual tonnes of British smelting capacity will be withdrawn by the closure of the British Aluminium plant at Invergordon. Cash aluminium lost £3.50 on the day's trading to close at £588. Copper for cash gained £5.25 to close at £874.75.

BRITISH COMMODITY MARKETS

BASE METALS

Base-metal prices were generally quiet on the London Metal Exchange, with the notable exception of Tin which came under heavy pressure as sizeable offerings of cash material widened the backwardation to around £430 at one point, prior to a closing level of around £400. Three months dropped to £7,910 and closed at £7,940. Copper moved up to £903 boosted by chartist buying. Lead was finally £373.5, Zinc £472, Aluminium £613.5 and Nickel £2,960.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGr de				
Cash	871-2	+5.25	874.5-5	+5.25
3 mths	896.5-7.5	+5.25	900.5-1	+5.5
Settlem't	872	+5.5	—	......
Cathodes				
Cash	868.5-9	+6	868-9	+3.5
3 months	895.5-4	+6.75	896-7	+6
Settlem't	869	+6	—	......
U.S. Prod	—	......	*77-82	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £872.00, 871.50, three months £896.00, 97.00, 96.50, 97.00, 97.50. Cathodes, cash £869.00, three months £893.50. Kerb: Cash £872.00, three months £897.50, 97.00, 98.00. Afternoon: Higher grade, three months £902.00, 02.50, 03.00, 01.50, 01.00, 01.50, 900.00, 899.50, 900.00, 900.50. Cathodes, cash £868.00, three months £896.00. Kerb: Higher grade, three months £900.50, 900.00, 899.50, 99.00, 900.00, 900.50, 900.0. Turnover: 17,350 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	356-7	—6	360-1	—2.75
3 months	369.70	—6.25	374-5	—2.25
Settlem't	357	—6	—	......
U.S. Spot	—	......	*31-4	......

Lead—Morning: Cash £357.00, three months £370.0, 69.00, 69.50, 70.00, 69.50. Kerb: Three months £370.00, 71.00. Afternoon: Cash £359.00, 58.50, three months £371.00, 71.50, 72.00, 73.00, 74.00. Kerb: Three months £374.00, 73.00, 74.00. Turnover: 7,550 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8350-5	+8	8330-50	—12.5
3 months	7920-5	—110	7940-50	—72.5
Settlem't	8355	+4	—	......
Standard				
Cash	8350-5	+2	8330-50	—12.5
3 months	7920-5	—110	7940-50	—72.5
Settlem't	8355	+4	—	......
Straits E.	$34.58	—0.02	—	......
New York	—	......		

Tin—Morning: Standard, cash £8,350, 40, 50, three months £8,000, 7,990, 80, 70, 60, 50, 10, 15, 20, 25. High Grade, three months £7,990. Kerb: Standard, cash £8,340, three months £7,940, 30, 35. Afternoon, cash £8,340, early-Jan £8,350, three months £7,960, 70, 60, 65, 60, 50, 40, 45. Kerb: Standard, cash £8,330, three months £7,940, 30, 25. Turnover: 3,520 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	460-1	—9	465-5.65	—.5
3 months	470-.5	—8.25	476-.5	—.25
S'ment	461	—9	—	......
Primw'ts	—	......	*44-50	......

Zinc—Morning: Three months £469.00, 69.00, 69.00, 70.00. Kerb: Three months 471.00. Afternoon: Three months £473.00, 74.00, 73.50, 72.00, 72.50, 73.00, 75.00, 76.00, 77.00, 78.00, 77.00, 76.00, 75.00, 76.00. Kerb: Three months £475.00 74.00, 73.00, 72.00, 71.00, 72.00. Turnover: 9,500 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	589.5-90.5	—1.25	587-9	—3.5
3 months	613.5-4	—1.75	613-.5	—3.25

Aluminium—Morning: Three months £615.00, 14.50, 14.00. Kerb: Three months £614.00, 13.50, 13.00. Afternoon: Three months £2,975, 70. Kerb: Three months £613.50, 14.00, 14.50, 14.00, 13.00. Turnover: 17,160 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2930-5	+2.5	2930-5	+12.5
3 months	2970-5	+3.5	2970-5	—7

Nickel — Morning: Three months £2,985, 70. Kerb: Three months £2,970. Afternoon: Three months £2,975, 70. Kerb: Three months £2,965, 60. Turnover, 402 tonnes.

SILVER

Silver was fixed 2.1p an ounce lower for spot delivery in the London bullion market yesterday at 423.15p. U.S. cent equivalents of the fixing levels were: spot: 805.2c, up 0.2c; three-month 831.9c, down 0.1c; six-month 862.1c, down 0.5c; and 12-month 923.5c, up 0.8c. The metal opened at 421-425p (801-808c) and closed at 425-428p (811-816c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	423.55p	—1.7	424.5p	+3.0
3 months	439.15p	—2.0	440.75p	—3.25
6 months	455.35p	—2.2	—	......
12months	488.35p	—2.2	—	......

LME—Turnover 87 (56) lots of 10,000 ounces. Morning: Three months 440.0, 39.5, 39.2. Kerb: Nil. Afternoon: Three months 814.00, 13.50, 13.00. Kerb: Three months 441.0.

COCOA

Futures eased slightly, reflecting the stronger sterling for prices to close with losses of £6. The thin trading conditions of recent days persisted with actuals business largely neglected, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
Dec	1120-30	—15.0	1136-30
March	1131-32	—9.0	1136-31
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

COFFEE

[illegible]

WOOL FUTURES

[illegible]

396, 400, 398; Dec 403, 407, 404; Jan 405, 409, 406; March 414, 419, 415; May 422, 428, nil. Sales: 10.

GAS OIL FUTURES

The market opened unchanged on last nights close and slowly drifted $1 lower. Prices firmed slightly during the afternoon's trading to close at 50 cents from the lows, reports Premier Man.

Month	Yesterdy's close	+ or —	Business Done
	$ U.S. per tonne		
December	324.00	+1	324.00-23.00
January	326.75	—0.50	328.25-25.00
February	323.75	—1.00	324.75-23.00
March	317.25	—1.50	318.50-17.00
April	311.75	—2.25	312.75-11.50
May	309.00	—1.00	308.00-07.25
June	307.50	—2.50	—
July	307.50	—2.50	—
August	308.50	—5.50	—

Turnover: 747 (1,282) lots of 100 tonnes.

GRAINS

The market opened 20p down on old crops. The morning session saw most activity on old crop barley which ended unchanged due to shipper buying. The afternoon session was quiet with both wheat and barley remaining firmer, Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
Jan	108.25	—0.15	105.75	—0.10
Mar	112.20	—0.05	107.55	—
May	118.65	+0.05	110.65	—
July	118.75	+0.50	—	—
Sep	105.75	+0.25	101.65	+0.10
Nov	110.35	+0.20	105.50	—

Business done—Wheat: Jan 108.35-108.20, March 112.25-112.10, May 115.75-115.40, July 118.45 only, Sept 106.75-106.70, Nov untraded. Sales: 97 lots of 100 tonnes. Barley: Jan 104.05-103.50, March 107.70-107.35, May 110.80-110.45, Sept 101.65-101.60, Nov 105.60 only. Sales: 169 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent. Jan 115.50, Feb 117.25, March 118.50 trans shipment East Coast sellers. Maize: French, Jan 132.50 trans shipment West Coast seller. South African White/Yellow Dec 83.00 seller. Barley: English Feed fob Jan/March 111.50 East Coast. English/Scottish April/June 115.25 East Coast. Scottish Jan 110.00 Peterhead all sellers.

HGCA — Locational ex-farm spot prices. Feed Barley: Eastern 106.00, N. East 104.00, Scotland 104.00. The UK Monetary Coefficient for the week beginning Monday, January 4, 1982, is expected to remain unchanged.

RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed quiet. Lewis and Peat reported a December fob price for No. 1 RSS in Kuala Lumpur of 201.5 (198.0) cents a kg and SMR 20 177.5 (176.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Feb	51.40-51.50	50.80-51.90	51.90-51.50
Mar	52.60-52.50	51.60-52.80	55.00
Apl-Jne	54.40-54.50	54.70-54.90	54.90-54.50
Jly-Sept	57.60-57.70	56.60-58.10	56.10-57.60
Oct-Dec	60.70-60.20	61.10-61.20	61.20
Jan-Mar	63.70-64.00	64.20-64.40	64.30-65.20
Apl-Jne	66.80-67.00	67.20-67.40	66.80
Jly-Sept	69.90-70.00	70.20-70.40	70.50-70.20
Oct-Dec	73.00-73.20	73.00-73.60	73.30

Sales: 90 (115) lots of 15 tonnes 3 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were spot 49.50p (49.00), Feb 52.25p (same). March 52.25p (same).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 46 tonnes. Light covering was reported, without users showing much initiative. Scattered inquiries were received for African and North American growths.

SOYABEAN MEAL

The market opened around unchanged levels and remained in a narrow trading range throughout most of the day; before easing slightly on stronger sterling to close 50p lower, reports T. G. Roddick.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
February	127.10-27.7	—0.58	127.80-27.50
April	129.10-29.5	—0.45	129.80-29.50
June	129.20-29.5	......	129.80-29.50
August	129.50-31.5	—0.15	—
October	150.00-53.0	—1.00	—
Dec	151.00-55.0	—0.50	—
Feb	152.00-58.0	—0.50	—

Sales: 44 (16) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £166.00 (£174.00) a tonne cif Dec-Jan-Feb shipment. White sugar daily price £171.50 (£178.50).

The market was initially steady but fell when New York opened weak. The lows were shortlived, however, as New York quickly rallied and London prices recovered some £2. However, heavier offerings pared the gains at the close, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Jan	168.00-71.50	170.80-74.50	175.75-70.50
March	173.90-73.95	175.00-75.10	176.00-73.00
May	176.00-76.25	178.90-79.25	176.50-74.25
Aug	179.55-79.75	179.50-80.00	180.50-78.75
Oct	183.65-83.75	183.00-83.50	184.50-83.00
Jan	184.00-86.00	184.00-90.00	—
March	189.50-91.00	189.00-90.50	190.25-89.00

Sales: 7,147 (3,897) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £375.00 (same) a tonne fob for home trade and £276.00 (£285.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Dec 29: Daily price 12.98 (13.65): 15-day average 13.14 (13.11).

POTATOES

LONDON POTATO FUTURES—The market declined further on reports of poor physical sales over the Christmas period and little prospect of upturn for 4-6 weeks, reports Coley and Harper. Closing prices: Feb 92.50 —210 (high 93.60, low 92.30); April 111.50 —330 (high 113.80, low 111.50); Nov 67.00 unchanged (untraded). Turnover: 401 (212) lots of 40 tonnes.

MEAT/VEGETABLES

SMITHFIELD — Pence per pound. Beef: Scotch killed sides 86.0 to 89.5; Ulster hindquarters 102.0 to 105.5, forequarters 61.5 to 64.5. Veal: Dutch hinds and ends 139.0 to 145.0. Lamb: English small 80.0 to 86.0. Imported frozen New Zealand YLs 63.0 to 64.0, YMs 64.0 to 64.0. Pork: English, Under 100 lb 47.0 to 56.0, 100-120 lb 46.5 to 55.0, 120-160 lb 43.5 to 54.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 104.29p per kg lw (—2.17). UK—Sheep 192.17p per kg est dcw (—12.22). GB—Pigs 82.42p per kg lw (+0.67).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges — Moroccan: Navels 48/113 4.00; Spania: Navels/Navelinas 42/130 4.00-4.40; Jaffa: Navels 88/144 4.85-5.35. Clementines—Spania: 3.80-5.80; Moroccan: 1/8 3.50-4.50. Satsumas—Spania: 3.60-3.80. Lemons—Cypriot: 3.30-4.50; Italian—80/150 3.60; Greek: 5.00-6.00; Spania: 40/50 2.40-2.50. Grapefruit—U.S.: Pink 32/43 6.00-7.00; Cypriot: Large cartons 3.60-4.50, small cartons 2.80-3.40; Jaffa: 36/88 3.80-4.55. Apples—French: New crop, Golden Delicious 20-lb 3.00-3.80, 40-lb 5.60-6.80, Starkcrimson 40-lb 7.00-7.50, 20-lb 3.40-3.80, Granny Smith 8.00-9.00; Canadian: Red Delicious 9.00-11.00; U.S.: Red Delicious 8.00-13.00; Hungarian: Starking 6.60-7.00. Pears—Dutch: Comice 14-lb, per pound 0.24-0.25. Peaches—S. African: 4.00; Zimbabwean: 4.50. Nectarines—S. African: 18/28 5.00-6.00; Chilean: 33/48 9.00-10.00. Plums—U.S.: Per pound 0.30-0.40; Chilean: Santa Rosa 17-lb, per pound 0.80. Grapes—Spanish: Almeria 11-lb 3.30-4.00, Negra 3.80-4.20; U.S.: Almeria, per pound 0.50, Red Emperor, 0.60. Strawberries — Israeli: 8-oz 1.00. Litchees—Mauritius: Per pound 1.00; S. African: 1.00. Melons—Spanish: 10-kg 5.00-6.00, 15-kg A1 10.50-11.00. Pineapples—Ivory Coast: Each 0.40-1.00. Bananas—Colombian: Per pound 0.18-0.19. Avocados—U.S.: Large box 5.50-6.00, small box 2.60; Israeli: 3.60-4.20; Canary: Large box 5.00, small box 3.50-4.00. Mangoes—Kenyan: 8/16 5.00; Brazilian: 7.50-8.00. Pomegranates—Israeli: 3.30-3.60. Dates—Tunisian: 30's 0.50-0.60; U.S.: 0.43-0.44. Tomatoes—Spanish: 0.50-1.50; Canary: 1.50-2.50; Moroccan: 0.70-0.80. Onions—Spanish: Grano 3/5 5.00-5.50. Capsicums—Dutch: 5-kilos, red 8.00; Canary: Green 3.00-3.50, red 4.50-5.00; Italian: Green 3.00; Israeli: Red 6.50. Cabbages—Dutch: White 3.50-4.00, red 4.00-4.50. Cauliflowers—Jersey: 24's 10.00, 30's 8.00; French: 24's 9.00-10.00. Celery—Israeli: 5.00; Spanish: 5.00-6.00. Carrots—Dutch: 22-lb 4.00, pre-packed 5.20. Lettuces—Dutch: 24's 3.20. Cucumbers—Canary: 2.40-3.00. Chicory—Belgian: 3-kilos 3.00. Endives—French: 4.60. Fennel—Italian 4.00. New Potatoes—Canary: 28-lb ware 5.00, mids 5.60; Italian: Per pound 0.17; Jersey: 13-lb tubs ware 1.00, mids 1.40-1.50; Cypriot: 5.00. Artichokes—Spanish: 3.00-3.50. Aubergines—Canary: 4.00-4.50; Israeli: 6.50. Chestnuts—Italian: 5-kg 5.50-6.00, 10-kg 9.00-14.00. Walnuts—Chinese: Per pound 0.44-0.45; U.S.: 0.60. Brazils—Per pound 0.32-0.38.

English Produce: Potatoes—Per 55-lb, White 2.60-3.50, red 2.80-3.60, King Edwards 2.80-4.00. Mushrooms—Per pound, open 0.40-0.60, closed 0.60. Apples—[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Dec. 30 1981	+ or —	Month ago
Metals			
Aluminium	£610/615	......	£818/615
Free Mkt.	$1120/1140	—80	$1100/15
Copper			
Cash h grade	£874.75	+5.25	£882.0
3 mths	£900.75	+5.5	£896.25
Cash Cathode	£868.5	+5.5	£876.0
3 mths	£896.5	+6.0	£890.5
Gold troy oz	$398.25	+3.75	$409.75
Lead Cash	£360.5	—2.75	£341.5
3 mths	£374.5	—2.25	£351.25
Nickel	£2932.5	—12.5	£2878.89
Free mkt	250/290c	......	230/60c
Platin'mtr'y oz	£—	......	£260
Freemkt	£—	......	£206.75
Quicksilvert	$412/418	......	$428/425
Silver troy oz	423.55p	—1.7	415.90
3 mths	439.15p	—2.0	450.0p
Tin Cash	£8,340	—12.5	£8355
3 mths	£7,945	—72.1	£8117.5
Tungsten22.0lb	$—	......	$137.32
Wolfrm 22.04lbs	$120/125	......	$137/151
Zinc Cash	£465	—0.5	£428.5
3 mths	£475.25	—0.25	£437.25
Producers	$—	......	$1000
Oils			
Coconut (Phil)	$545y	—5.0	$567.5
Groundnut	‡	......	‡
Linseed Crude	‡	......	£425
Palm Malayan	$482.5x	+2.5	$487.5
Seeds			
Copra Philip	$340w	—5.0	$355
Soyabean(U.S.)	$254x	—3.0	$260.5
Grains			
Barley Fut.Mar	£107.55	......	£107.30
Maize	£132.50x	......	£128.5
Wheat Fut.Mar	£112.20	—0.05	£111.60
No2 HardWint	‡	......	‡
Other commodities			
Cocoa ship't*	£1176.5	—19	£1,196
Future Mar.	£1131.5	—9.0	£1123.5
Coffee Ft' Mar	£1143.0	—7.5	£1087
Cotton A.Index	67.70c	+0.30	68.45c
Gas Oil Jan.	$325.75	—0.50	$523.25
Rubber (kilo)	52.25p	......	51.25p
Sugar (Raw)	166.0	—8.0	£159
Woolt'ps 64s kl.	580p kilo	......	570pkilo

‡ Unquoted. w Dec-Jan. x Jan. z Feb. y Jan-Feb. † Per 76-lb flask. * Ghana cocoa. n Nominal. § Seller.

AMERICAN MARKETS

NEW YORK, December 30.

PRECIOUS METALS and copper firmed on short covering following President Reagan's restrictions on trade with the Soviet Union. Cattle futures continued under pressure due to heavy marketings. Heating oil moved slightly higher in anticipation of another major cold wave moving across the U.S. Cotton was sharply lower on commission house liquidation as prices failed to follow through on the upside. Continued liquidation in sugar, based on technical selling, left prices moderately lower. A short covering rally on the close left the grains and soyabeans mixed, Heinold reports.

Copper—Jan 74.65 (73.60). Feb 75.55 (74.55). March 76.40-76.45, May 77.95-78.10, July 79.55, Sept 81.10, Dec 83.50-83.70, Jan 84.35, March 85.90, May 87.45, July 89.05, Sept 90.65.

*Platinum—Jan 373.5-374.5 (370.0), April 383.5-385.0 (380.0), July 397.0, Oct 406.0-411.0, Jan 430.0. Sales: 1,891.

Potatoes (round whites)—Feb 70.0-71.2 (70.0), March 73.8 (74.1), April 79.7, Nov 75.3-77.0.

¶Silver — Jan 821.2 (801.8), Feb 829.6 (810.5), March 835.0-839.0, May 855.0-858.0, July 876.0-879.0, Sept 898.6, Dec 929.9, Jan 939.0, March 959.2, May 979.4, July 999.6, Sept 1019.8.

Sugar—No. 11: Jan 12.80 (12.66), March 13.13-13.16 (13.22), May 13.29-13.31, July 13.52, Sept 13.65, Oct 13.95, Jan 14.00, March 14.57-14.60, May 14.55. Sales: 7,145.

CHICAGO, December 30.

Live Cattle—Feb 54.80-54.70 (55.67), April 54.70-54.55 (55.55), June 55.80-56.05, Aug 54.90-55.10, Oct 54.05, Dec 55.50.

Live Hogs—Feb 43.60-43.75 (43.27), April 43.12-43.25 (42.90), June 45.75-45.80, July 46.95-46.80, Aug 45.50-45.75, Oct 44.60, Dec 46.15, Feb 47.60.

‡‡Maize—March 271-270½ (271), May 281½-281¼ (281½), July 286¾-286½, Sept 289¼, Dec 294¼-294½, March 305.

Pork Bellies—Feb 61.70-61.90 (60.42), March 61.70-62.00 (60.67), May 62.70, Aug 63.25.

†Soyabeans—Jan 614-614½ (615), March 628½-629½ (629), May 643¾-643½, July 658½-659, Aug 661½, Sept 659½, Nov 663½-664½, Jan 679, March 694.

‖Soyabean Meal — Jan 182.7-182.5 (183.5), March 185.6-185.7 (186.1), May 188.5-188.8, July 182.1, Aug 192.5-193.0, Sept 193.5, Oct 193.0, Dec 197.8-197.0.

Soyabean Oil — Jan 18.78-18.75 (18.87), March 19.38-19.37 (19.47), May 20.00, July 20.60, Aug 20.70-20.75, Sept 20.76, Oct 21.25-21.30, Dec 21.55, Jan 21.50-21.60.

†Wheat—March 391-390½ (391), May 400½-400 (399¾), July 405½-405, Sept 418½, Dec 436-438½, March 450.

WINNIPEG, December 30.

§Rye—Dec 159.00 (same), May 172.50 (172.9), July 17.50, Oct 172.50.

§Barley—Dec 121.00 (120.5), March 126.80 (125.3), May 129.80, July 130.90, Oct 133.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

NEW YORK, December 29.

Coffee—"C" Contract: March 139.25-139.50 (139.24), May 132.60-132.85 (131.65), July 130.95, Sept 128.80-128.90, Dec 126.00-126.50, March 123.50-127.00, May 124.00-130.00. Sales: 1,040.

††Cocoa—March 1994 (1992), May 2002 (2006), July 2008, Sept 2024, Dec 2059, March 2089. Sales: 660.

Cotton—No. 2: March 65.41-65.50 (65.76), May 66.80-66.90 (67.35), July 68.20, Oct 69.40, Dec 70.55-70.60, March 71.85-72.00, May 72.50-73.50. Sales: 5,200.

Orange Juice—Jan 116.90 (116.00), March 119.50-119.80 (118.65), May 121.55, July 123.20, Sept 123.90-124.20, Nov 124.00-124.10. Sales: 1,000.

CHICAGO, December 29.

Chicago Imm Gold—March 403.2-402.8 (400.8), June 415.5 (413.7), Sept 430.3, Dec 444.8, March 459.8, June 475.0, Sept 490.4.

EUROPEAN MARKETS

ROTTERDAM, December 30.

[illegible]

PARIS, December 30.

[illegible]

INDICES

FINANCIAL TIMES

[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

REUTERS

[illegible]

COMPANY NOTICES

GOLD FIELDS GROUP

[illegible]

THEATRES

[illegible]

Equity leaders again rise with Tube Investments and Tate and Lyle outstanding—Gilts quieter but also firm

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 7	Dec 17	Dec 22	Jan 4
Dec 23	Jan 7	Jan 8	Jan 18
Jan 11	Jan 21	Jan 22	Feb 1

* "New time" dealings may take place from 9.30 am two business days earlier.

The penultimate trading session of 1981 in London stock markets was again subject to seasonal influences. Continuing year-end considerations were apparent in many equity sectors with selective demand finding markets inadequately stocked and prone to move quickly higher. Underpinning sentiment throughout was the hope that the U.S. economy's slide into recession was beginning to slow. The Acas bid to avert Aslef's two-day strike called for January 13 and 14 was also a helpful factor.

Genuine investment interest remained extremely light but speculative attention was directed towards several issues including **United Wire** and **Brunning**, although the latter reacted sharply late on the company's bid denial. **Tate and Lyle** were outstanding among leading industrials following a "chart" buy signal, while **Tube Investments** and the associated **British Aluminium** strengthened further following comment on the decision to close the loss-making Invergordon smelter.

Late in the day, leading values edged away from the best but the FT Industrial Ordinary share index still closed 4.8 up at 528.8—its highest for over three weeks—after having posted a rise of around 5.5 in the four earlier counts.

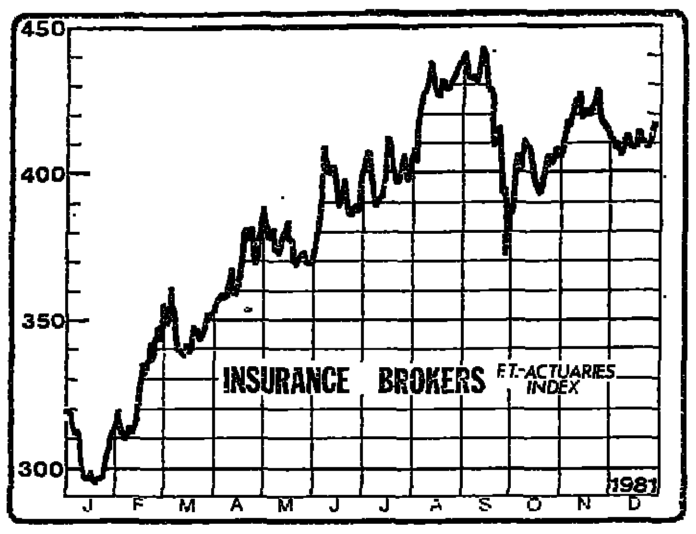
British Funds initially extended Tuesday's upturn, but business slowed to a trickle now that larger investors had completed their year-end tidying-up operations. The shorts attracted some support in a market hoping for further signs of lower short-term interest rates and managed to hold early gains ranging to ¼; fresh Government funding in the shape of a special £500m issue of *Treasury 3 per cent 1987 stock*, payable in full at a minimum tender price of £64½ next week, had no impact on sentiment. The longs settled with sporadic improvements of ⅛, after having been ¼ higher.

Demand for Traded options improved significantly, reflecting the firmer trend in the underlying securities. Total contracts completed amounted to 1,066, which compares with Tuesday's 485 and last week's daily average of 596. Oil issues returned to the fore and **Shell Transport** recorded 150 calls and 110 puts, while **British Petroleum** attracted 120 trades, with business evenly split between calls and puts. **Lonrho** and **GEC** recorded 114 and 145 calls respectively.

Banks good

The major clearing banks took *a distinct turn for the better* yesterday as renewed investment support found stock in short supply. **Barclays** led the advance with a gain of 18 to 448p; **Midland** put on 15 to 345p, **NatWest** 12 to 402p, after 404p, and **Lloyds** 6 to 422p. Elsewhere, **Guinness Peat** rose 5 to 95p awaiting the outcome of talks to resolve the differences between Lord Kissin and Mr Edmund Dell. Other merchant banks firmed in quiet trading.

Business in leading Buildings was small, but the undertone remained distinctly firm. **Blue Circle**, 502p, and **Tarmac**, 400p, gained 8 apiece, while **BPB Industries** rose 4 to a 1981 peak of 324p. Among secondary issues, **John Finlan**, involved in abortive merger discussions earlier in the year, jumped 13 to 145p *in a market none-too-well supplied with stock* on revived bid hopes. **Bryant Holdings** attracted a useful business and firmed 5 to 78p, while **Wiggins Group** edged up 2 more to 84p. Other firm spots included **John Laing**, 2 better at 48p, and **H.A.T. Group**, similarly better at 70p.



Continued small buying and the absence of sellers left **ICI** up another 4 at 290p. Among other Chemicals, **Arrow** put on 3 for a two-day gain of 7 to 43p on speculative interest, while **Hickson and Welch** improved 4 to a 1981 peak of 202p. **Croda International** hardened a penny more to 79p: bidders **Burmah Oil** firmed 2 to 126p.

Cornell revive

Leading Stores continued to *make modest progress reflecting* the reported good level of current sales. **Gussies A** added 3 more at 428p, while **Woolworths** gained the turn at 50½p. In contrast, **Mothercare** eased 5 to 165p following adverse comment about the proposed merger with **Habitat**, a couple of pence lower at 113p: shareholders meet to vote on the deal on January 14. Secondary issues were featured by **Cornell Dresses** which attracted revived speculative support and advanced 14 to 162p. **Wearwell** were quoted at 56p ex the rights issue: the new nil-paid shares opened at 8p premium. D-I-Y counters were irregular. **MFI** were wanted at 59p, up 4, but **Harris Queensway** eased 2 more to 126p.

Among Shoes, **Pittard** rose 3p to 49p following scattered buying, while **Headlams Sims and Coggins**, still benefiting from Associated Investment's near-11 per cent stake in the company, added a penny more to 65p.

Quest Automation continued firmly in Electricals, rising 10 more to 135p on buying ahead of next Wednesday's interim results. **Kode International** found support and added 13 at 223p, while improvements of 7 and 5 respectively were seen in **Standard Telephones and Cables**, 435p, and **First Castle Securities**, 95p. **Ferranti** hardened 5 to 620p and **Cable and Wireless** 3 to 213p. Against the trend, **Arien** fell 5 to a 1981 low of 18p following the increased annual deficit and final dividend *omission. Among the leaders*, **Plessey**, still drawing strength from a favourable circular, rose 3 afresh to 363p, while similar rises were seen in **Racal**, 433p, and **BICC**, 278p. **GEC**, after touching a 1981 peak of 833p, closed unchanged on the day at 825p.

Against the trend in Engineers, **Jenks and Cattell** extended an earlier fall to close 16 down at 44p following the announcement that the company's offer for Elliott Group had been declared unconditional. Elsewhere in the sector, selective demand was reflected in the occasional useful improvement. Comment on the closure of the Invergordon smelter prompted renewed firmness in **British Aluminium**, which advanced 10 to 58p with **Tubes** improving 8 to 128p. **Birmid** continued to *respond to favourable mention* with a fresh rise of 3½ to 25½p, while **Glynwed**, also reflecting press comment, hardened 2 to 101p. The encouraging tenor of the chairman's annual statement left **Newman Tonks** 4 *dearer* at 65p and **Matthew Hall** closed similarly better at 205p following news of the £1m Sudanese contract. Renewed demand lifted **United Wire** 11 to 92p: a spokesman for the company denied any knowledge as to why the shares should have suddenly jumped again yesterday after recent marked strength. Sporadic support lifted **Westland** 8 to 110p and **Babcock International** 5 to 89p, while **United Engineering** continued firmly and put on 5 to 262p. Smaller-priced issues to make progress included **James Neill**, 3 higher at 34p, and **Cronite**, up 2 more at 29p. Among the leaders, **John Brown** eased a penny to 56p following the company's statement regarding the U.S. economic sanctions against Russia which include suspension of licences for U.S. equipment to be used in the construction of the proposed natural gas pipeline.

The Food sector displayed several bright spots. **Tate and Lyle**, recommended as a "chart buy" around the 190p level, attracted good support and gained 10 to a 1981 peak of 198p, *the annual results are due in* about three weeks. Buyers also showed interest in **Cadbury Schweppes**, which firmed 2½ to 86p, and in **Unigate**, up 3 at 100p. **Watson and Philip** jumped 11 to 54p, after 55p, in response to the good preliminary results, while **Fitch Lovell** put on 3 to 74p on revived bid hopes. **Cullen's**, a thin market, added 3 to 225p on news that **Lennons**, a penny better at 51p, had acquired a 5.5 per cent stake in the company.

Gieves rise

Wheeler's Restaurants, a thin market, advanced 10 to 330p following acquisition news. *Trusthouse Forte fared* best in leading Hotels and Caterers, rising 4 to 118p.

The announcement that Austin Reed has acquired a near-7 per cent stake in the company *attracted speculative buyers to* **Gieves** on hopes of an eventual full-scale bid and the close was 4 higher at 31p, after 32p. Elsewhere in miscellaneous industrials, **Brown Boveri Kent** were outstanding with a speculative gain of 4½ at 27p while **Armour Trust** hardened 1½ to 11p, the latter in response to the interim results. **Sears** hardened a penny more for a two-day improvement of 6 to 55p on further *consideration of recent asset* sales. **J. Bibby** added 10 to 310p as did **Photo-Me**, to 435p, while **AGB Research** put on 8 to 250p and **Diploma** 6 to 202p. **J. F. Nash Securities** were unmoved *at 52p* following the preliminary results but **Philip Harris** plummeted 14 to 112p, after 106p, on disappointing first-half figures. The leaders continued quietly firm. A good market recently on talk of a possible bid from **Xerox**, **Rank Organisation** added 6 afresh to 176p, while **Metal Box** firmed a similar amount to 162p as did **Unilever**, to 610p. **Bowater** moved up 5 to 218p.

Trident TV "A" firmed 4 to a 1981 peak of 68p following the appointment of a senior police officer to take on responsibilities for the company's newly acquired casino interests. **Pleasurama** put on 9 to 297p; *the preliminary results are due* next Tuesday. Reports of a boom in holiday bookings gave a fillip in **Horizon Travel**, 10 up at 282p, and **Saga Holidays**, 3 firmer at 140p.

Motor Components turned firmer. **Dowty** featured with a gain of 6 at 136p, while **Jonas Woodhead**, 35p, and **Armstrong Equipment**, 29p, both added 2. In Distributors, **Glanfield Lawrence** *were wanted at* 49p, up 4, but **Henlys** lacked support and eased 3 to 104p.

Brunning continued to attract speculative support and touched 102p before the company's denial of recent bid rumours prompted profit-taking and a close of 90p, down 5 on balance: the Restricted voting gave up 4 more to 72p. Elsewhere in Paper/Printing, **Eucalyptus** added 4 for a two-day gain of 12 at 217p following the company's change of residence to the Bahamas.

Selected Properties attracted sporadic support. **Great Portland Estates** added 4 to 176p and **Peachey** a couple of pence to 98p. Elsewhere, demand in a limited market lifted **Trust Securities** 14 to 328p.

Oils passed a relatively quiet session, but trended a little firmer with **Shell** closing 2 dearer at 402p and **Tricentrol** similarly better at 238p. Still reflecting Press mention, **Carless Capel** edged up 2 the same amount to 170p. **Pict Petroleum** gained to 155p, but **Palliser Resources**, a good market of late, reacted 5 to 160p.

Among Financials, **Exco** were wanted again and rose 7 to 185p, while **Mercantile House** were also noteworthy for a gain of 25 to 435p.

British and Commonwealth rallied 7 to 320p in Shippings.

Quiet Mines

Mining markets continued to lack any significant interest either way. South African Golds dipped initially, as the bullion price appeared to be under early pressure, but subsequently staged a modest recovery to close showing only minor falls. The bullion price also made late progress to close a net $3.75 firmer at $398.25 an ounce. The Gold Mines index eased 1.4 to 308.9.

Losses in the heavyweights were restricted to around ½ as in **Hartebeest**, £26¼, and **Vaal Reefs**, £35¼, while **Kloof** dipped ¼ to £16 and **Buffels** a *like* amount to £18¾.

Among medium- and lower-priced issues, **Durban Deep** gave up 29 more to 895p—a two-day decline of 83—while **Harmony** fell 16 to 671p, **Venterspost** 15 to 434p and **Blyvoor** 9 to 526p. **Elsburg** eased a penny to a 1981 low of 118.

In Financials, **Charter Consolidated** edged up 2 to 252p but the remaining issues failed to attract any worthwhile support despite the firm trend in the UK equity market.

South African Financials were mixed. **Sentrust** featured with a rise of 12 to 421p on overseas buying. On the other hand, **De Beers** and **Minorco** gave up 10 apiece at 358p and 395p respectively.

Central Africans were weaker, losses of 5 being common to **Coronation**, 75p, and **Falcon Mines**, 120p.

The lack of a positive trend in overnight Sydney and Melbourne markets coupled with *quiet trading conditions in London* left Australians showing marginal movements either way.

Claremont Petroleum continued to dominate activity in oil and gas stocks, with the shares touching 91p in early dealings before closing a net 2 cheaper on balance at 88p. Speculative attention lifted **Pelsart Resources** 2 to 29½p.

FINANCIAL TIMES STOCK INDICES

	Dec. 30	Dec. 29	Dec. 24	Dec. 23	Dec. 22	Dec. 21	A year ago
Government Secs.	62.36	62.37	62.06	62.03	61.99	61.89	68.69
Fixed Interest	63.11	63.00	63.08	63.08	63.05	62.92	70.44
Industrial Ord.	528.8	524.0	518.1	517.7	518.6	520.7	472.6
Gold Mines	308.9	310.3	316.7	314.4	322.2	332.9	408.1
Ord. Div. Yield	5.67	5.72	5.78	5.79	5.79	5.78	7.54
Earnings, Yld. % (full)	9.95	10.04	10.16	10.16	10.14	10.12	16.87
P/E Ratio (net) (*)	12.84	12.73	12.58	12.57	12.60	12.62	7.26
Total bargains	9,140	8,281	9,501	12,720	14,552	14,417	15,188
Equity turnover £m.	—	36.41	50.86	79.98	149.77	108.81	71.27
Equity bargains	—	5,578	4,187	9,258	13,162	11,715	10,686

10 am 524.2. 11 am 528.3. Noon 529.4. 1 pm 529.5.
2 pm 528.5. 3 pm 529.4.
Latest Index 01-246 8026.
*Nil=11.47.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	60.17 (28/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	61.61 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9)	262.5 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 29	Dec. 24
—Daily		
Gilt Edged Bargains	82.7	56.4
Equities Bargains	36.1	27.1
Value	73.5	102.8
5-day Avrge.		
Gilt Edged Bargains	97.6	106.6
Equities Bargains	56.9	65.8
Value	172.1	202.5

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, December 30, 1981. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.08
Albania	Lek	5.313
Algeria	Dinar	4.1875
Andorra	Fr. Franc	5.7275
	Sp. Peseta	97.55
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.7025
Argentina	Peso (c) (4)	10400.00
Australia	Dollar	0.8887
Austria	Schilling	15.875
Azores	Port. Escudo	65.47
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is.	Sp. Peseta	97.55
Bangladesh	Taka	17.75
Barbados	Dollar	2.01
Belgium	Franc (C)	38.32
	Franc (F)	41.90
Belize	Dollar	2.00
Benin	C.F.A. Franc	286.375
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.1075
Bolivia	Peso	24.75
Botswana	Pula	0.878
Brazil	Cruzeiro	127.48
Brunei	Dollar	2.049
Bulgaria	Lev	0.928
Burma	Kyat	6.4515
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	286.375
Canada	Dollar	1.1855
Canary Is.	Sp. Peseta	97.55
Cape Verde	Escudo	36.51
Cayman Is.	Dollar	0.855
Cen. Af. Rep.	C.F.A. Franc	286.375
Chad	C.F.A. Franc	286.385
Chile	Peso (O)	39.00
China	Renminbi Yuan	1.7455
Colombia	Peso (O)	55.56
Comoros	C.F.A. Franc	286.375
Congo P'ple.Rep.of	C.F.A. Franc	286.375
Costa Rica	Colon (O)	8.60
	Colon	20.03
Cuba	Peso	0.8013
Cyprus	Pound*	2.2967
Czechoslovakia	Koruna (O)	5.80
Denmark	Krone	7.37
Djibouti Rp. of	Franc	178.50
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre	25.425
Egypt	Pound* (O)	1.4493
	Pound* (3)	1.1587
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	195.10
Ethiopia	Birr (O)	2.02
Faeroe Is.	Dan. Krone	7.37
Falkland Is.	Pound*	1.901
Fiji	Dollar	0.8786
Finland	Markka	4.38
France	Franc	5.7275
Fr. C'ty in Af.	C.F.A. Franc	286.375
Fr. Guiana	Franc	5.7275
Fr. Pac. Is.	C.F.P. Franc	99.9474
Gabon	C.F.A. Franc	286.375
Gambia	Dalasi	2.1042
Germany (E)	Ostmark (O)	2.2625
Germany (W)	Mark	2.2635
Ghana	Cedi	2.75
Gibraltar	Pound*	1.901
Greece	Drachma	57.50
Greenland	Dan. Krone	7.37
Grenada	E. Caribbean $	2.7025

COUNTRY	CURRENCY	VALUE OF DOLLAR
Guadaloupe	Franc	5.7275
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	37.8509
Guinea Rep.	Syli	21.2355
Guyana	Dollar	2.9826
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	5.701
Hungary	*Forint*	35.00
Iceland	Krona	8.18
India	Rupee	9.1075
Indonesia	Rupiah	630.00
Iran	Rial (O)	79.00
Iraq	Dinar	0.2999
Irish Rep	Punt*	1.574
Israel	Shekel	15.57
Italy	Lira	1207.00
Ivory Coast	C.F.A. Franc	286.375
Jamaica	Dollar	1.7834
Japan	Yen	219.40
Jordan	Dinar	0.331
Kampuchea	Riel	n.a.
Kenya	Shilling	10.2724
Kiribati	Aust. Dollar	0.8887
Korea (Nth)	Won	0.94
Korea (Sth)	Won	690.40
Kuwait	Dinar	0.2823
Lao P'pls D. Rep	Kip	10.00
Lebanon	Pound	4.6142
Lesotho	Loti	0.9597
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	1.8035
Luxembourg	Lux Franc	38.32
Macao	Pataca	5.9262
Madagascar D. R.	Franc	286.375
Madeira	Port. Escudo	65.47
Malawi	Kwacha	0.9105
Malaysia	Ringgit	2.2435
Maldive Is.	Rupee	3.93
Mali Rp	Franc	572.75
Malta	Pound*	2.5794
Martinique	Franc	5.7275
Mauritania	Ouguiya	57.275
Mauritius	Rupee	10.7531
Mexico	Peso	25.98
Miquelon	Fr. Franc	5.7275
Monaco	Fr. Franc	5.7275
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	5.3535
Mozambique	Metica	29.5897
Namibia	S.A. Rand	0.9597
Nauru Is.	Aust. Dollar	0.8887
Nepal	Rupee	13.20
Netherlands	Guilder	2.49
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.2176
Nicaragua	Cordoba	10.00
Niger Rp	C.F.A. Franc	286.375
Nigeria	Naira (O)	0.6547
Norway	Krone	5.8615
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	9.84
Panama	Balboa	1.00
Papua N.G.	Kina	0.6817
Paraguay	Guarani	126.00
Peru	Sol	505.42
Philippines	Peso	8.20

COUNTRY	CURRENCY	VALUE OF DOLLAR
Pitcairn Is.	N.Z. Dollar	1.2170
Poland	Zloty (O)	31.00
Portugal	Escudo	65.47
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	5.7275
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	1.901
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	5.7275
St. Vincent	E. Caribbean $	2.7025
Samoa (Western)	Tala	0.9346
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1207.00
Sao Tome & Principe DR	Dobra	38.9262
Saudi Arabia	Riyal	3.4197
Senegal	C.F.A. Franc	286.375
Seychelles	Rupee	7.157
Sierra Leone	Leone	1.1759
Singapore	Dollar	2.049
Solomon Is.	Dollar	0.8506
Somali Rep.	Shilling (6)	6.35
	Shilling (7)	12.46
South Africa	Rand	0.9597
Spain	Peseta	97.55
Span. Ports in N. Africa	Sp. Peseta	97.55
Sri Lanka	Rupee	20.55
Sudan Rep.	Pound* (1)	1.1111
Surinam	Guilder	1.785
Swaziland	Lilangeni	0.9597
Sweden	Krone	5.5705
Switzerland	Franc	1.8035
Syria	Pound	3.9262
Taiwan	Dollar (O)	37.91
Tanzania	Shilling	8.1556
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	286.375
Tonga Is.	Pa'anga	0.8857
Trinidad & Tobago	Dollar	2.4093
Tunisia	Dinar	0.5135
Turkey	Lira	133.62
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.8857
Uganda	Shilling	78.30
Utd. A'b. Emir.	Dirham	3.673
Utd. Kingdom	Pound Sterling*	1.901
Upper Volta	C.F.A. Franc	286.375
Uruguay	Peso	11.56
U.S.S.R.	Rouble	0.7536
Vanuatu	Vatu	92.8657
	Aust. Dollar	0.8887
Vatican	Lira	1207.00
Venezuela	Bolivar	4.29
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.57
Yemen PDR	Dinar	0.3415
Yugoslavia	Dinar	39.27
Zaire Rp.	Zaire	5.4619
Zambia	Kwacha	0.8811
Zimbabwe	Dollar	0.7299

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—By decree on 9.11.81 dual exchange rate abolished and Sudanese Pound devalued by 12½ per cent.
(3) Egypt—Floating rate fixed daily by Central Bank of Egypt for importers, Exporters, Tourists.
(4) Argentina: June 22 Two Tier Policy Adopted. Commercial: Fixed by Central Bank for Imports and Exports.
(5) Argentina: Financial allowed a clean float. (6) Somali: Parallel exchange rates introduced July 1—for essential imports.
(7) Somali: Exports and Non-Essential Imports and Transfers.

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (32)

BRITISH FUNDS (1)
Treasury 3pc 1982
BEERS (1)
Bell (A.) 9½pc Cnv.
BUILDINGS (2)
Barratt Dev. Wiggins Group
CHEMICALS (2)
Croda Int. Defd. Hickson & Welch
ELECTRICALS (2)
Cable & Wireless G.E.C.
ENGINEERING (6)
Cronite United Wire
Moss Engineering Weir Group
United Engineering Do. 10pc Conv.
FOODS (3)
Hinton (A.) Watson & Philip
Tate & Lyle
INDUSTRIALS (7)
Armour Trust Photo-Me
Brown Boveri Kent Sidlaw Inds.
Bibby (J.) Vinten
Flexello (C. & W.)
INSURANCE (1)
Combined Int.
LEISURE (1)
Trident TV A
MOTORS (1)
Glanfield Lawrence
PAPER (1)
Brunning
SHIPPING (1)
Milford Docks
SHOES (1)
Headlam Sims
TEXTILES (1)
Leeds Dyers
RUBBERS (1)
Rightwise

NEW LOWS (12)

AMERICANS (1)
Damson Oil
DRAPERY & STORES (1)
Habitat
ELECTRICALS (1)
Arlen
ENGINEERING (1)
Jenks & Cattell
INDUSTRIALS (1)
Macfarlane Group
MOTORS (1)
B L.
PAPER (1)
Melody Mills
OIL & GAS (2)
Collins (K.) Pet. Osprey Pet.
MINES (3)
Elsburg Falcon
Coronation

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	34	2	56
Corpns. Dom. and Foreign Bonds	20	1	51
Industrials	333	101	923
Financial and Prop.	102	25	383
Oils	23	17	67
Plantations	4	2	16
Mines	43	19	106
Others	28	66	61
Totals	587	233	1,663

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 14	Dec 31	Mar 25	Apr 5
Jan 4	Jan 15	Apr 15	Apr 26
Jan 18	Jan 29	Apr 28	May 10

For rate indications see end of Share Information Service

Stocks favoured for the call included **Royal Bank of Scotland**, **FNFC**, **Erskine House**, **Charterhouse Petroleum**, **Sears**, **Johnson and Firth Brown**, **Unigate**, **ICI**, **BP**, **Midland Bank**, **Marinex**, **Lonrho**, **Imps**, **Britannia Arrow** and **Explaura**. Puts were arranged in **Lloyds Bank** and **Royal Bank of Scotland**, while doubles were taken out in **RHM**, **Exco**, **FNFC** and **Royal Bank of Scotland**.

RECENT ISSUES

EQUITIES

Stock	Closing price p
A & G Sec. Elecs. 5p	[illegible]
Asprey	[illegible]
Baillie Gifford Jn Tst	[illegible]
City Site	[illegible]
Comp. & Systs. Eng. 5p	[illegible]
Cussins Prop.	[illegible]
Equipu	[illegible]
F&C Enter. Warrants	[illegible]
Good Relations Grp	[illegible]
Gr'nw'h Cable & Cm.	[illegible]
Hardanger Prop.	[illegible]
Haytors	[illegible]
New Australia Inv. 50p	[illegible]
Newmarket 1981	[illegible]
Nimslo Int. 20c	[illegible]
Peek Hldgs.	[illegible]
Sampang (Java)	[illegible]
Saxon Oil	[illegible]
Sheldon Jones	[illegible]
Speyhawk	[illegible]
Television South 10p	[illegible]
Viners 1p	[illegible]

FIXED INTEREST STOCKS

Stock	Closing price £
Caisse Nat. des Auto. 16% Gtd. Ln. 2006	[illegible]
Essex Water 10% Red. Prf. 1986	[illegible]
Haslemere Est. 9% Conv. Uns. Ln. 2001-06	[illegible]
McLeod Russell 8.5% Cnv. Red. Cum. Prf.	[illegible]
Nat'wide Bdg. Society 15⅝% Bds.	[illegible]
Do. 15% Bds. 13.12.82	[illegible]
Pennine Comm. 12pc. Conv. Uns. Ln. 1997	[illegible]
Strong & Fisher	[illegible]
Do. 15% pc. Uns. 1986	[illegible]
Telfos 10% Cnv. 1991	[illegible]
Viners 10% Cnv. Loan 1988	[illegible]

"RIGHTS" OFFERS

Stock	Closing price p
Abwood Mach.	[illegible]
Brown (M)	[illegible]
[illegible]	[illegible]
Great Portland Estates	[illegible]
Lennons Grp.	[illegible]
[illegible]	[illegible]
Raglan Prop.	[illegible]
Rea Brothers	[illegible]
Strong & Fisher	[illegible]
Telfos	[illegible]
Wearwell	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. m Interim since increased or resumed. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✻ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Issued as a unit comprising 33 Ordinary and £5 Loan 1985-88.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
British Aluminium	58	+10	Gieves	31	+4
Brunning	90	−5	Jenks and Cattell	44	−16
Bryant Holdings	78	+5	Pleasurama	297	+9
Claremont	88	−2	Rank Organisation	176	+6
Cornell Dresses	162	+14	Tube Investments	128	+8
Finlan (John)	145	+13	Westland	110	+8

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Bk. of Scotland	17	515	−15	RTZ	8	443	—
GEC	10	825	+8	Sears	8	54	+5
Brit. Aluminium	9	48	−3	Glaxo	7	420	+8
ICI	9	286	+6	Imp. Cont. Gas	7	200	—
Shell Transport	9	400	+8	Thorn EMI	7	455	+5
Tube Investts.	9	120	+4	Europn. Ferries	6	73	+1
Hanson Trust	8	293	−2	Racal Elect.	6	430	—

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Wed Dec 30 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Dec 29 Index No.	Thurs Dec 24 Index No.	Wed Dec 23 Index No.	Tues Dec 22 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	357.11	+0.8	9.75	4.45	12.73	354.40	352.25	351.36	351.44	287.41
2	Building Materials (25)	300.75	+1.0	15.05	5.71	7.59	297.65	295.78	295.56	296.53	246.16
3	Contracting, Construction (28)	531.11	+0.8	17.69	5.31	6.60	526.95	526.44	526.51	528.28	404.43
4	Electricals (30)	1251.37	+0.5	7.28	2.30	17.57	1245.54	1235.57	1231.69	1229.37	957.36
5	Engineering Contractors (9)	489.16	+1.5	13.02	5.78	8.96	481.90	480.82	482.61	484.20	397.49
6	Mechanical Engineering (66)	192.65	+1.3	11.05	5.66	11.53	190.13	189.05	188.13	188.49	171.54
8	Metals and Metal Forming (12)	166.93	+1.2	8.26	7.29	16.37	164.99	163.58	164.10	164.07	137.34
9	Motors (21)	93.73	+0.2	—	7.28	—	93.51	93.30	93.03	93.21	92.19
10	Other Industrial Materials (18)	372.63	+0.5	8.74	6.10	14.08	370.89	369.66	367.91	367.54	0.00
21	CONSUMER GROUP (198)	268.73	+0.7	13.51	6.15	9.08	266.73	264.70	264.63	265.21	238.14
22	Brewers and Distillers (20)	272.09	+0.7	17.18	7.19	6.96	270.15	269.62	270.32	274.24	263.21
25	Food Manufacturing (21)	264.04	+1.1	15.73	6.45	7.64	261.07	260.11	260.04	260.77	211.09
26	Food Retailing (15)	549.77	+0.6	9.66	3.57	12.54	546.30	541.28	540.94	536.67	465.31
27	Health and Household Products (7)	344.97	+0.5	9.06	4.64	12.97	343.18	340.21	338.87	337.82	264.07
29	Leisure (24)	418.78	+1.1	9.75	5.25	12.77	414.17	411.40	411.04	412.44	349.82
32	Newspapers, Publishing (12)	478.21	+0.9	12.89	6.30	11.24	473.85	473.55	473.55	475.60	424.94
33	Packaging and Paper (13)	130.94	+2.2	15.51	8.22	7.69	128.18	127.88	127.88	126.97	114.56
34	Stores (46)	240.51	+0.3	12.05	5.61	11.11	239.79	236.36	236.04	236.76	246.98
35	Textiles (23)	153.64	+0.6	10.35	6.46	12.45	152.75	152.05	151.88	151.33	124.68
36	Tobaccos (3)	259.96	+0.8	22.26	10.03	5.16	257.95	255.42	256.42	255.52	199.61
39	Other Consumer (14)	248.39	+0.5	7.76	7.27	21.34	247.12	247.12	247.12	248.04	0.00
41	OTHER GROUPS (80)	230.41	+0.8	11.06	6.06	11.49	228.58	227.81	227.03	226.63	220.59
42	Chemicals (16)	300.51	+1.1	6.02	6.02	26.00	297.31	292.80	293.12	293.05	297.12
44	Office Equipment (4)	117.36	+2.3	15.58	7.50	7.67	114.68	114.68	113.77	112.86	101.52
45	Shipping and Transport (13)	510.25	+0.3	21.00	7.24	5.67	508.48	508.90	508.50	503.24	537.51
46	Miscellaneous (47)	293.12	+0.4	12.48	5.52	9.83	291.96	291.33	291.53	291.62	265.74
49	INDUSTRIAL GROUP (487)	293.41	+0.8	11.73	5.48	10.55	291.20	289.18	288.86	289.12	253.44
51	Oils (13)	747.95	+0.3	19.04	7.55	5.95	745.92	730.08	734.15	742.39	928.53
59	500 SHARE INDEX	330.26	+0.7	13.05	5.86	9.26	328.05	324.94	324.96	325.86	306.81
61	FINANCIAL GROUP (119)	254.44	+1.2	—	5.99	—	251.39	250.52	250.52	248.77	234.75
62	Banks (6)	284.30	+2.9	31.70	6.65	3.69	276.27	276.53	276.92	271.61	246.86
63	Discount Houses (9)	247.21	—	—	8.96	—	247.16	247.16	247.16	245.63	290.22
64	Hire Purchase (3)	237.30	—	13.11	7.79	10.56	237.30	234.94	234.94	237.30	197.30
65	Insurance (Life) (9)	252.10	+0.9	—	6.35	—	249.87	247.79	247.79	245.97	230.77
66	Insurance (Composite) (10)	155.05	+0.5	—	8.64	—	154.24	153.19	153.39	152.01	147.25
67	Insurance Brokers (8)	417.13	+0.6	11.16	5.83	12.13	414.63	410.73	408.31	409.73	319.56
68	Merchant Banks (12)	155.67	+1.3	—	5.24	—	153.63	152.54	152.80	152.60	148.21
69	Property (50)	453.27	+0.3	4.87	3.23	27.44	451.74	451.40	451.36	452.34	445.03
70	Miscellaneous (12)	177.27	+1.6	17.00	5.95	7.20	174.41	173.55	172.57	171.90	169.41
71	Investment Trusts (110)	285.28	+0.2	—	5.67	—	284.77	284.27	284.73	285.39	281.88
81	Mining Finance (4)	235.44	+0.1	14.64	6.04	8.22	235.22	237.49	237.99	237.63	227.95
91	Overseas Traders (17)	402.67	+0.5	12.61	7.90	9.69	400.59	400.68	400.55	401.17	428.39
99	ALL-SHARE INDEX	312.40	+0.7	—	5.91	—	310.15	307.88	307.94	308.22	291.99

FIXED INTEREST

	PRICE INDICES	Wed Dec 30	Day's change %	Tues Dec 29	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	105.63	+0.21	105.41	—	10.97
2	5-15 years	98.90	+0.02	98.88	—	13.45
3	Over 15 years	99.95	+0.01	99.94	—	15.25
4	Irredeemables	109.80	—	109.80	—	14.70
5	All Stocks	101.12	+0.08	101.05	—	13.18
6	Debentures & Loans	78.67	—	78.67	—	11.86
7	Preference	61.17	+0.03	61.15	—	7.01

	AVERAGE GROSS REDEMPTION YIELDS		Wed Dec 30	Tues Dec 29	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	13.36	13.39	11.96
2		15 years	14.08	14.06	11.96
3		25 years	14.09	14.08	11.96
4	Medium Coupons	5 years	16.18	16.23	13.53
5		15 years	15.99	15.99	13.84
6		25 years	15.35	15.35	13.51
7	High Coupons	5 years	16.01	16.05	13.53
8		15 years	16.19	16.19	14.06
9		25 years	15.61	15.60	13.74
10	Irredeemables†		13.41	13.40	11.61
11	Debs & Loans	5 years	16.85	16.85	14.64
12		15 years	16.67	16.67	14.49
13		25 years	16.55	16.55	14.35
14	Preference†		16.28	16.29	14.64

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

American Growth	63.2	68.0	−0.7	2.15
Capital	38.6	40.9	+0.3	4.06
(Accum. Units)	50.1	54.2	+0.4	4.06
General	59.8	64.6	+0.5	4.76
Gilt & Fixed Int	72.6	77.6		13.15
Income	36.9	39.8	+0.1	9.40
Worldwide Bond	106.1	112.5		2.97
Inv. Tst. Fd.	50.8	54.9	+0.3	4.32
Equitas Prog.	83.6	90.4	+0.4	4.52

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	82.6	86.9	+0.1	13.97

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds				
Allied 1st	91.0	97.4	+0.9	5.53
Brit. Inds. Fund	76.6	82.0	+0.7	6.57
Growth & Income	37.5	41.5	+0.3	4.97
Elect. & Ind. Dev.	47.1	50.4	+0.4	4.76
Allied Capital	98.4	105.3	+0.9	4.74
Hambro Fund	134.9	144.3	+0.9	5.82
Hambro Acc. Fund	198.1	212.0	+1.5	4.72
Income Funds				
High Yield Fd.	65.8	70.4	+0.2	9.03
High Income	92.7	99.5	+0.5	7.25
Equity Income Fd.	47.7	51.0	+0.2	7.24
Govt. Secs.	22.4	23.0		13.83
International Funds				
International	36.3	38.8	−0.3	2.37
Japan Fund	29.6	31.7	+0.1	0.52
Pacific Fund	73.6	78.7	+0.2	1.03
Secs. Of America	83.6	89.5	−0.9	2.68
Specialist Funds				
Smaller Co.'s Fd.	57.2	61.2	+0.2	3.84
2nd Smlr. Co's Fd.	71.5	76.5	+0.2	3.92
Recovery	27.9	29.8	+0.1	4.73
Met. Min. & C'dty.	63.7	68.4	−0.2	5.85
Overseas Earnings	78.2	83.7	+0.7	4.90
Exempt Funds				
Income Exempt	51.3	53.9	+0.2	9.00
Far East Exempt	80.1	83.9	+0.3	1.50
Smaller Co. Exempt	96.5	101.3	+0.3	3.90
U.S.A. Exempt	134.7	140.1	−0.9	2.81

Anderson Unit Trust Managers Ltd.
62, London Wall, EC2R 7DQ 01-638 1200

Anderson U.T.	67.3	72.9		3.39

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	160.0	170.0		10.80
Leics.&Gen.Fd.	50.5	53.5		7.33

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Wieler Gwth Fd. Inc.	39.7	42.7		2.50
Do. Accum.	51.0	54.9		2.50

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital	32.8	35.7		—
Commodity	81.9	88.4		2.47
(Accumulation)	130.8	141.2		2.47
(10% Withdrawal)	57.4	62.0		2.47
Eastern & Internatl.	52.8	56.7	−0.1	1.00
(6% Withdrawal)	35.4	37.8		1.00
Extra Income	79.6	86.5	+0.1	11.34
(Accumulation)	104.0	113.5	+0.2	11.34
Finance & Property	24.0	26.1	+0.2	5.37
Foreign	141.3	152.4		1.00

[illegible]

Chieftain Trust Managers Ltd (a) (g)
11, New St., EC2M 4TP. 01-283 2632

American (z)	27.9	30.1	−0.4	1.60
Australian (z)	23.6	25.7	+0.1	0.98
Far Eastern Tst. (z)	42.8	46.4	−0.1	1.21
High Income	33.5	36.3	+0.2	12.12
Intl. Trust (z)	49.7	54.0	+0.1	1.40
Basic Resources Tst.	48.6	52.7	−0.1	2.14
Inam. Growth Tst.	23.2	25.3	+0.3	4.92
Pref. & Gilt Tst.	18.6	20.2		15.78
Smaller Co's Trust	28.4	30.8	+0.7	3.53

Chamberlain Fund Managers (g)
57-63, Princess St., Manchester. 061-236 5685

Growth	15.9	17.1		3.78
International	86.0	92.1	−0.3	1.18
High Income	28.1	30.3	+0.1	11.68

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	75.5	79.4	+1.3	3.64

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	34.3	37.4	+0.2	12.22
North American	60.8	65.7	−0.3	2.59
Canadian Exempt*	67.0	70.9		2.99
Canadian Trust	55.3	60.7	−0.5	3.02
Mid Mount High Inc.*	44.4	47.0		10.39
Recovery	52.9	57.8	+0.2	3.80
Gilt Trust	37.6	39.3		0.28

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	42.7	46.1	−0.4	0.58
Cres. Internat'l.	89.8	96.9	+0.3	1.55
Cres. High. Dist.	43.4	46.8	+0.2	9.35
Cres. Reserves	51.2	55.2	+0.4	5.43
Cres. Tokyo	41.5	44.7	+0.6	0.28

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	22.8	24.3		9.05

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Dec. 22	241.0	257.1		5.24

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	19.7	22.0		7.92
Gt. Winchester O'seas	31.7	36.2		3.55

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

UK Gwth. Tst. Acc.	54.4	58.4	+0.5	4.62
UK Gwth. Tst. Inc.	53.9	57.9		4.66
Higher Inc. Tst. Acc.	53.6	57.8	+0.8	8.23
Higher Inc. Tst. Inc.	53.1	57.0		8.33
Gilts/Fxd.Int.Tst.Acc.	49.6	49.0		5.85
Gilts/Fxd.Int.Tst.Inc.	49.0	51.5		5.85
Nth.America Tst.Acc.	52.0	55.9	−0.4	1.49
Far East Tst. Acc.	49.1	52.7		0.62
Equity & Law Gen. Tst.	92.2	99.1	+0.8	4.65

Fidelity International Management Ltd.
20, Abchurch Lane, London EC4N 7AL. 283 9911

American (z)	39.1	42.1	−0.4	0.16
Amer. Spec. Sits. (z)	28.8	32.0	−0.4	0.01
Gilt & Fixed Int.	22.2	22.9		14.21
Growth & Income	33.2	36.2	+0.2	6.93
Japan Trust (z)	24.3	26.2	+0.3	—
Max. Inc. Eq. Tst.	28.9	31.1	+0.2	9.62
Special Sits.	37.2	40.1	−0.5	0.88

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l.	38.2	41.1	−0.1	1.63
Accum. Units	47.6	51.2	−0.2	1.63
J. Finlay High Income	35.1	37.7	−0.4	9.65
Finlay Wld. Energy	16.7	18.0		2.17
Accum. Units	21.8	23.4		2.17
J. Finlay Fd.In.Tst.	38.6	41.5		5.59
Accum. Units	51.0	54.8		5.59

Prices on December 23. Next dealing December 30.

Framlington Unit Mgt. Ltd. (a)

[illegible]

L & C Unit Trust Management Ltd.
The Stock Exchange, London EC2N 1HA 588 2800

L&C Inc. Fund	161.6	166.7		8.75
L&C Intl & Gen Fd	135.0	139.2		1.59

Legal & General (Unit Tst., Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis.	95.2	100.8	+0.6	4.52
Equity Acc.	130.7	141.3	+0.9	4.52
Gilt	111.5	117.4		8.18

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114.

Leo Distribution	129.5	137.4	−2.7	0.42
Leo Accum.	153.3	162.6	−3.3	0.42

[illegible]

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fund	95.9	103.1		4.02
Income Fund	67.5	72.5		10.94

Prices on Dec 15. Next dealing day Dec 31.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

International Funds

Capital	47.9	51.5	+0.2	2.72
I.T.U.	33.8	35.9	+0.1	4.09
Select International	370.7	398.6	+1.0	1.51

[illegible]

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	299.1	314.8	+0.4	—
Fixed Int. Acc.	174.3	183.5	+0.7	—
Gtd. Money Fd. Ac.	150.7	158.6		—
Intl. Man. Fd. Acc.	154.2	162.2	−0.3	—
Intl. Fxd. Int. Fd.	107.5	113.1	−0.2	—
Prop. Fd. Acc.	155.5	163.7		—
M'ple Inv. Acc.	239.2	251.7	+0.2	—
Equity Pen.Fd.Acc.	403.6	424.8	+0.5	—
Fixed I.Pen.Acc.	267.6	281.6	+1.1	—
G'td.Mon.Pen.Acc.	203.7	214.4		—
Intl.Mn.PnFdAcc.	179.6	189.0	−0.3	—
Prop.Pen.Acc.	204.2	214.9		—
M'ple Inv.Pen.Acc.	340.7	358.5	+0.3	—

[illegible]

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		182.5	+0.9	—
Portfolio Fd. Init.		162.4	−1.0	—
Portfolio Fd. Cap.		180.7	−1.1	—
Portfolio Man. Acc.	54.9	57.8	+1.0	—
Portfolio Man. Init.	50.0	53.2	+0.8	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1016

Flexible Finance		1,226		—
Landbank Secs.		57.58		—
Landbank Scs. Acc.	146.3	150.1		—
G. & S. Super Fd.		£9.273		—

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅝	91⅞	Treasury 3pc '82‡‡	98⅝	+⅛	3.04	13.76
107	99¼	Treasury 14pc '82‡‡	99¾	+⅟₁₆	14.03	14.97
99¾	98⅞	Treas. Variable '82‡‡	99¾	.....	15.14	15.49
96⁷⁄₁₆	93⅞	Treasury 8¼pc '82	96⅞xd	+⅛	8.51	14.80
96⅞	93⅛	Exch. 9¼pc 1982	95⅞	+⅛	9.64	15.31
95⅞	92⅝	Exch. 8¾pc 1983	94½xd	+⅛	9.25	14.81
92¾	84⅞	Exch. 3pc 1983	91⅛	+⅛	3.28	11.21
99⅜	95	Treasury 12pc 1983‡‡	96⅜	+⅛	12.45	15.34
99⅝	96¼	Treas. Variable '83‡‡	99⅝	+⅛	15.16	15.40
94½	90⅛	Treasury 9¼pc '83	93¼xd	+⅛	9.92	14.33
101⁵⁄₁₆	95¼	Exch. 13½pc '83	97¼	+⅛	13.88	15.12
94⅛	89¼	Exch. 10pc 1983	92¼	+⅛	10.84	14.70
88⅜	83½	Funding 5½pc '82-84‡‡	88xd	+⅛	6.25	12.34
96¼	90	Exch. 11¼pc 1984	92½	+¼	12.16	15.42
103⅜	95¼	Exchequer 14pc 1984	97¼	+¼	14.39	15.40
82⅝	77	Exch. 3pc 1984	81⅜	.....	3.69	11.94
98⅝	90½	Treasury 12pc 1984	92⅞	+¼	13.02	15.59
107¼	95⅞	Treasury 15pc 1985	97½	+¼	15.35	15.97
98⅞	88¼	Exch. 12pc Cnv. '85	90½	+¼	13.31	16.01
76	71	Treasury 3pc 1985	74⅛	+⅛	4.04	12.62
96⁹⁄₁₆	85¾	Treasury 11½pc 1985	88½xd	+¼	13.04	16.06
98⅞	87⅞	Exch. 12¼pc 1985	89⅝	+¼	13.66	15.90
97⅛	84¼	Exch. 11¾pc '86	86¾	+¼	13.54	16.20
70⁹⁄₁₆	65¾	Treasury 3pc 1986	69½	.....	4.37	12.18
97⅝	84½	Treasury 12pc '86	87⅝	+¼	13.69	15.98
88⅝	78½	Treasury 8½pc '84-86‡‡	80¾xd	.....	10.53	14.46
40⅛	36¼	Exch. 14pc 1986a(£40pd)	37⅛	+¼	15.07	16.17
		Five to Fifteen Years				
103⅞	90	Exch. 13¼pc 1987	90⅞xd	+⅛	14.45	15.72
81¾	71⅛	Funding 6½pc '85-87‡‡	74⅛	.....	8.88	13.75
—	—	Treasury 3pc 1987	£64½	.....	4.65	11.97
91	81½	Treas. 12pc 1987	85⅞	.....	14.29	16.33
81⅛	72¼	Treasury 7¾pc '85-88‡‡	72⅞xd	.....	10.56	14.99
65½	58⅝	Transport 3pc '78-88	60½xd	.....	4.96	11.90
92⅞	79½	Treasury 11½pc 1989	83⅝	.....	14.51	16.52
67¼	59¼	Treasury 5pc '86-89	63⅛	.....	8.06	12.84
101½	85¼	Treasury 13pc 1990‡‡	86¼xd	.....	14.97	15.99
95⁷⁄₁₆	81⅝	Exch. 12½pc 1990	85⅞	.....	15.16	16.45
80⅞	69⅞	Treasury 8¼pc '87-90‡‡	70½xd	.....	11.76	14.49
93⅛	77¼	Treasury 11¾pc 1991	78¼xd	.....	14.95	16.38
66⅛	57	Funding 5¾pc '87-91‡‡	60⅛	.....	9.79	13.75
90	72⅞	Exch. 11pc 1991	76¾	+⅛	14.72	16.21
98⅛	81¼	Treasury 12¾pc '92‡‡	82¼xd	.....	15.38	16.28
82⅞	70¼	Treasury 10pc 1992	74⅛	.....	14.18	15.93
94⅜	79	Exch. 12¼pc '92	83⅝	.....	15.44	16.39
101⅜	84¼	Exchequer 13½pc '92	88⅞	.....	15.25	16.46
96¼	79⅞	Treasury 12½pc '93‡‡	80⅝xd	.....	15.41	16.18
63⅞	53¼	Funding 6pc 1993‡‡	56¾	+⅛	10.91	13.80
105¼	84	Treasury 13¾pc 1993‡‡	88¼	.....	15.84	16.27
107¼	90⅜	Treasury 14½pc '94‡‡	95⅝	.....	16.01	16.29
104⅛	82⅞	Exchequer 13½pc 1994	87	.....	15.96	16.45
95⅝	79½	Exch. 12½pc 1994	84¼	+⅛	15.67	16.31
79⅞	63¼	Treasury 9pc '94‡‡	67	.....	13.65	15.06
84⅝	75⅞	Treasury 12pc '95	76⅞xd	.....	15.44	16.16
51¾	42	Gas 3pc '90/95	42⅞	.....	7.08	11.59
83	68	Exch. 10¼pc 1995	68⅝xd	.....	14.81	15.85
100⅛	79½	Treasury 12¾pc '95‡‡	83½	+⅛	15.56	15.92
104⅞	85⅝	Treas. 14pc '96	86½xd	.....	16.03	16.34
76¾	63¾	Treasury 9pc '92/96‡‡	67¼	.....	13.93	15.11
115⅝	91⅞	Treasury 15¼pc '96‡‡	96¾	.....	16.37	16.27
103½	82	Exchequer 13¼pc '96‡‡	86¼	.....	15.67	16.02
100⅜	90¼	Treas. 2pc I.L. '96‡‡	93¾	+⅛	2.42	3.18
50⅛	42⅞	Redemption 3pc 1986-96	43⅞	.....	6.96	10.78
		Over Fifteen Years				
101⅛	82⅞	Treasury 13¾pc '97‡‡	83¾xd	.....	15.67	16.01
83⅞	69¾	Exchequer 10½pc 1997	73⅞	+⅛	14.98	15.71
74¾	62⅛	Treasury 8¾pc 1997‡‡	65⅜	.....	13.90	14.91
97⅞	92¼	Exch. 15pc 1997	94⅝	+⅛	16.24	16.34
65⅝	51⅞	Treasury 6¾pc '95-98‡‡	54¾	.....	12.38	14.06
114½	94½	Treas. 15½pc '98‡‡	99½	.....	16.17	16.20
95⅛	74⅝	Exch. 12pc 1998	78⅝	+½	15.52	15.89
79⅞	65½	Treasury 9½pc 1999‡‡	66¼xd	.....	14.26	14.96
94	76⅝	Exch. 12¼pc 1999	81⅝	.....	15.62	15.75
86¼	67⅞	Treasury 10½pc 1999	72½	.....	14.99	15.52
100	81¾	Treas. 13pc 2000	82½xd	.....	15.66	15.88
107¼	85	Treas. 14pc '98-01	88½	.....	15.75	16.07
93¼	75⅞	Exch. 12pc '99-02	76½xd	.....	15.49	15.73
104⅜	85¼	Treas. 13¾pc 2000-03	86½xd	−½	15.79	15.91
90	73½	Treasury 11½pc '01-04	78½	.....	15.28	15.46
41⅛	33	Funding 3½pc '99-04	33½xd	+⅛	10.47	12.27
99¼	78	Treasury 12½pc '03-05	82½	.....	15.45	15.55
91¾	86⅜	Treas. 2pc IL '06‡‡	89¾xd	+⅛	2.44	2.75
68¾	56¼	Treasury 8pc '02-06‡‡	60	.....	13.77	14.17
92½	75⅛	Treasury 11¾pc '03-07	76½xd	.....	15.29	15.42
103⅛	84¾	Treas. 13½pc '04-08	90½	.....	15.55	15.58
50⅝	41⅛	Treasury 5½pc '08-12‡‡	44½	−⅛	12.92	13.26
66¼	55¼	Treasury 7¾pc '12-15‡‡	55⅞xd	.....	13.76	13.87
98⅛	79⅜	Exch. 12pc '13-'17	81⅜	.....	14.86	14.87
		Undated				
33¼	27⅛	Consols 4pc	27⅝xd	.....	14.30	—
32¼	24⅜	War Loan 3½pc‡‡	26¼	.....	13.25	—
37⅝	30½	Conv. 3½pc '61 Aft.	31⅜	.....	11.29	—
25	20⅛	Treasury 3pc '66 Aft.	21¼	.....	14.61	—
21⅛	17⅜	Consols 2½pc	18xd	.....	13.86	—
21	16¾	Treasury 2½pc	17⅜	.....	14.49	—

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅝	90½	Finland 14½pc Ln 1986	92¾	.....	15.67	16.99
94	87	Int. Bank 5pc '77/82	93½	.....	5.36	15.98
99⅛	89	Do. 13½pc Ln 1986	90¾	.....	14.88	15.55
100¼	94⅞	Mex 16½pc 2008	95½	.....	17.27	17.55
100⅜	88¼	Sweden 13½pc 1986	90¾	.....	14.87	16.61

CORPORATION LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
93½	83¼	Bath 11¾pc 1985	85½	+½	13.16	16.45
98	88¼	Birm'ham 12½pc 1985	89¾	+¼	13.93	16.40
102	86	Burnley 13pc 1987	87½	+¼	14.99	16.79
95½	80¼	Cardiff 11pc 1986	82½	+¼	13.57	16.45
100⅛	97⅞	G.L.C. 12½pc '82	98⅝	+⅛	12.66	16.05
99	93½	Do. 12½pc 1983	95¼	+½	13.12	15.88
95½	92½	Glasgow 9¼pc '80-82	94¾	+⅛	9.76	15.78
75½	67¾	Herts 6½pc 1985-87	70½	+¼	9.95	15.51
98¾	79¾	Leeds 13½pc 2006	85½	+½	16.37	16.41
91½	86	Liverpool 9¾pc '80-84	88¼	+1	11.05	15.82
26	21½	Do. 3½pc Irred.	21¾	+¼	16.34	—
100½	94½	Lon. Corp. 13¼pc '83	95¾	+¼	13.54	15.91
88¾	83	Do. 9¼pc '84-85	83	.....	11.14	15.29
80¼	78	LCC 5½pc '82-84	79½	+¼	6.92	15.48
71¼	63⅜	Do. 5½pc '85-87	64⅝	+¼	8.51	15.29
70¼	56¾	Do. 6¾pc '88-90	57xd	+¼	11.77	16.11
23¾	18¾	Do. 3pc '20 Aft.	19½	+¼	15.82	—
97¼	89½	Sunderland 12¼pc 1984	91	+¼	13.46	16.13

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98½	92¼	Aust. 5½pc '81-82	96½	.....	5.65	15.75
87½	82½	Do. 6pc 1981-83	85¼	.....	7.05	15.19
67¾	57	N.Z. 7¼pc 1988-92	57xd	.....	12.64	15.64
81¾	74	Do. 7½pc '83-86	74¼	.....	10.05	15.57
141	115	S. Rhod. 2½pc Non-Ass.	138	.....	—	—
61	43	Do. 3½pc 80-85 Assd.	58	.....	6.14	20.40
43	26	Do. 4½pc 87-92 Assd.	34	.....	13.86	20.69
395	320	Zimbabwe Ann (£100pa)	335	.....	—	25.78

LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
64	57¼	Agric. Mt. 5pc '59-89	58½xd	+¼	8.56	14.17
29½	23¼	Met. Wtr. 3pc 'B'	25	.....	12.40	14.74
114	97	U.S.M.C. 9pc 1982	105	.....	8.57	—
97¼	91	Do. without Warnts.	96½	.....	9.34	—
		Financial				
101½	94¼	FFI 14pc '83	95½	.....	14.65	16.71
94½	88½	FFI(UK Fn)5½pcDb. 80-2	94½	.....	5.90	14.60
83½	77	Do. 6¼pcDb. '81-84	80½	.....	7.76	15.25
93	82½	Do. 10¼pc Uns.Ln. '86	83xd	.....	12.65	16.40
92	78½	Do. 11pc Uns.Ln. '88	78½xd	.....	14.01	15.80
92	76½	Do. 11¾pc Uns.Ln. '90	78½xd	.....	14.97	16.70
94½	78½	Do 12¾pc Un. Ln 1992	83	.....	15.74	16.80
64½	54½	Do. 7¼pcADeb '89-92	54½	.....	13.30	16.39
62	51½	Do. 7¼pcADeb. '91-94	54½	.....	13.86	16.21
72½	59½	Do. 9pc 'A' '91-94	64	.....	14.68	16.30
70	56½	Do. 8⅞pcLn. '92-97	60	.....	15.68	16.89
		Building Societies				
100¼	96¼	N'wide 14¼pcBd11.8.82	98½	.....	14.97	—
100½	96	Do. 14¼pc Bds 25.6.82	98¾	.....	14.93	—
100½	98¼	Do. 15¼pc Bds. 29.9.82	99	.....	15.53	—
101¼	99¼	Do. 16¼pc Bds 27.10.82	99¾	.....	16.29	—

FOREIGN BONDS & RAILS

1981 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
95	58	Antofagasta Rly	67	−1	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1981 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Yld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1981 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Yld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81¾	74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	795p	Hud. B. Oil G. $2½	22⅝	−⅛	$32c	—	0.6
16⅞	11¼	Imperial Oil‖	12¼	−⅛	$1.40	—	5.5
11⅛	689p	Inco‖	739pxd	−10	$US20c	—	1.4
750p	450p	Int. Nat. Gas $1	644p	−5	$1.10	—	7.5
210p	85p	Massey Ferg.‖	93p	−3	—	—	—

CANADIANS—Continued

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

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MINES—Continued

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NOTES

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OPTIONS

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FINANCIAL TIMES

Thursday December 31 1981

Ferry group to set up auto centre chain in UK

By Kenneth Gooding, Motor Industry Correspondent

THE European Ferries group yesterday announced plans to set up a chain of "Auto-Centres" under the banner of its car ferry subsidiary, Townsend Thoresen.

The centres will bring together on one site a complete range of retail and trade outlets in the motor replacement, accessory and custom market as well as service-while-you-wait for motorists.

A £1m pilot project is to be tried at Stacey Bushes, Milton Keynes, which should open in June next year and be fully operational by next Christmas.

This should create between 200 and 300 jobs.

European Ferries' subsidiary Townsend Construction will develop the site and then sell the development to an investment institution.

Townsend would then be responsible for managing the properties and marketing the concept.

Mr Keith Wickenden, chairman of European Ferries, said yesterday he believed there was a market for such centres in every major population centre in the UK.

Reaction to the Milton Keynes project would be an important factor in decisions about the number of centres the group would develop. "We will find the money from our own resources," he added.

The Milton Keynes centre will be on a 4-acre site with 70,000 sq ft under cover, providing 28 units, a motorists' restaurant, and parking for up to 150 vehicles.

The company plan to invite major brand leaders to take the retail units. It is expected that local traders would take up the mechanical and body repair units.

"We expect to set up a chain of Townsend Thoresen Auto-Centres at strategic points in the UK in due course," Mr Wickenden said.

"Although no other sites have been finalised as yet, local authorities are enthusiastic because of the environmental planning gain in removing some of the less-attractive aspects of the motor industry into a more controlled area."

A detailed study of similar centres in North America had been undertaken by the company.

APPEAL TO END PARTY SQUABBLES

Voters may turn to SDP, Foot warns Labour

BY MARGARET VAN HATTEM, POLITICAL STAFF

MR MICHAEL FOOT, the Labour leader, has warned his much-divided party that voters will turn en masse to the Social Democrats if Labour's internal power struggles continue next year.

In a stern New Year message, Mr Foot appealed to all sections of the party "to abandon sectarian squabbles and turn to the real task" of presenting Labour policies.

"If we do not make our alternative coherent and convincing, people will turn to a centre party," he said.

"People see a Tory government bent on destroying the economy and punishing the victims of their policy—the unemployed, the poor, the inner-city dweller, the school leaver, and the economically underprivileged," he said.

"But when the public turn to us, what do we offer? They see a Labour Party which, as far as they can tell, talks about nothing but itself. They see groups within the party who spend all their time and energy attacking each other."

It was pointless to blame the media. "So long as we provide copy for them by discussing our internal affairs, they will go on reporting that, rather than anything we say about policies which can save the country," he said.

Mr Foot called for an "atmosphere of comradeship and trust." Referring indirectly to the inquiries launched in recent weeks into the activities of left-wing groups and activists, he re-affirmed his pledge that there would be no "purges or ideological inquisitions."

At the same time, he made it clear he would not tolerate any more "hit lists," such as the one published in the left-wing journal, London Labour Briefing, which named MPs who had not supported Mr Tony Benn for the party deputy leadership.

Mr Foot's warning on the possible electoral success of the Social Democrats contrasts with his prediction, made early last summer, that they would not win a single seat at the next general election.

Mr David Steel, the Liberal leader, in his New Year message, also expressed concern over in-fighting between Liberal and Social Democrat members of the new alliance.

He urged them to stop squabbling, particularly during the negotiations over the share-out of parliamentary seats for the next general election. He voiced fears that the March 31 deadline for completion of these arrangements might not be met.

"I am concerned that, in some cases, the SDP is asking well-organised Liberal associations with a good record and hundreds of experienced campaigners to stand aside for it with a relatively small and untried membership," he said. "That is not the way to enhance prospects for the alliance.

"Equally, in some cases Liberals have approached local negotiations with excessive demands. Both sides must avoid arrogance and bluster."

Stuyvesant strikes up for travel business

By Arthur Sandles

PETER STUYVESANT, the Rothmans International subsidiary, it putting £500,000 into the creation of an up-market tour operating company, Peter Stuyvesant Travel.

The move is bound to alarm travel retailers since Stuyvesant has decided on a direct-sell operation, by-passing the normal 10 per cent mark up.

The company will spend £300,000 in advertising in the next few weeks.

Stuyvesant hopes to carry 10,000 people a year within three years. It aims to be "a serious entry into the quality end of the market," says Mr Nick Redfern, marketing director.

The group made a two-year pilot study of the market, running holidays to the Greek islands.

It expects a turnover of £2m in 1982, and has applied to join the Association of British Travel Agents.

Among the initial destinations offered are Hong Kong, the Dominican Republic, Jamaica, Hawaii, Fiji and Greece.

"Our research tells us that there is room in the travel market for the quality and style of holiday that we are offering," said Mr Kirkland Blair, executive chairman of the new company.

Direct selling has been a growth area in travel in recent years.

Tjaereborg, the Scandinavian group, is approaching 100,000 passengers a year from the UK. Thomson, Britain's largest tour-operator, is having considerable success with its Portland direct-sell operation.

Stuyvesant insists that it will not indulge in price-cutting. "We saw a need for high quality long- and short-haul holidays, with no attempt to cut corners," said Mr Redfern last night.

Unlike some other tobacco groups, Rothmans International has not indulged in extensive diversification.

It has large energy (Star Oil and Gas) and brewing (Carling O'Keefe) interests, but its other consumer product activities are mainly limited to the luxury end of the market under the Dunhill label.

Travel has, however, proved a tempting area of activity for many companies, including W. H. Smith, Guinness and Rank.

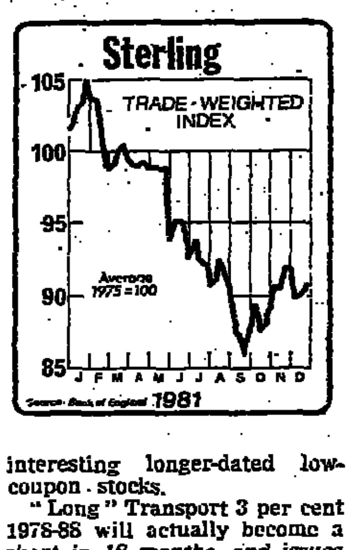
THE LEX COLUMN

No coupons like low coupons

British finance directors concerned about the translation of their overseas earnings will be relieved that sterling has not managed its traditional December advance in 1981. Over the year as a whole the effective devaluation has been a very useful 10 per cent, and double that against the dollar, far the most important currency for British companies with overseas subsidiaries. Elsewhere there is a fall of 8¼ per cent against the D-mark, and 16½ per cent against the Australian dollar. Against the rand, sterling has appreciated slightly.

The foreign exchange markets are uneasily balanced between the active intervention policies of some central banks and the abstention of others, in the face of the movements of enormous funds in response to shifting interest rate differentials. The outlook for 1982 must be for more of the same: foreign exchange managers are likely to survive even the most ruthless corporate de-manning programme.

Index rose 4.8 to 528.8



Low coupons

There has been an impressive air of bustle about the official sales of low coupon gilt-edged stocks in the last year. With yesterday's issue of £500m Treasury 3 per cent 1987 the total offerings since the end of October 1980 add up to £2bn nominal, sold at an average price of £70 or so, while there is now a 3 per cent stock for every year up to and including 1988.

But all this activity has not produced any net funding. The new issues have done nothing more than refinance the two low-coupon stocks which matured in 1981 and the coming redemption of Treasury 3 per cent 1982.

Of course the flood of tax-exempt National Savings has deflected a certain amount of potential demand for this type of issue from high taxpayers, although National Savings are restricted in size, do not have the liquidity of the 3 per cent stocks, nor the double-edged attraction of volatility. All the same, the authorities are perhaps showing a certain lack of imagination in simply doling out new short-dated low-coupon stocks for Lloyd's syndicates to roll maturing holdings into.

The success of zero-coupon bonds in the U.S. suggests that something similar might have attractions in London—the investment becomes even more tax-efficient for the lender and the running cost of debt service is eliminated. In addition, the London market has run out of interesting longer-dated low-coupon stocks.

"Long" Transport 3 per cent 1978-88 will actually become a short in 18 months, and issues such as Gas 1995 are too tiny to tempt the institutional net funds to trade. With total gilt-edged redemptions running at over £5bn a year for the next four years and the index-linked experiment apparently hamstrung there is every incentive to innovate. Or maybe the market will have to wait for the next wave of nationalisations to produce Petroleum 2000 and Clearers 2084.

Bank advances

The accelerating surge in bank lending has been one of the more improbable financial phenomena of 1981, and a feature that the Bank of England can scarcely allow to be repeated in the New Year. Indeed, some aspects of the Bank's latest quarterly analysis of advances and acceptances, for the mid-August to mid-November period, suggest that the banks may be rushing to get business on their books while the going is still good, just as IBELs soared ahead of the reintroduction of the "corset" in 1978. During the quarter, sterling lending rose at an annualised rate of 30 per cent, and the seasonally adjusted figure for lending to the private sector of £3.5bn stands as a new record, at least in absolute terms. Nor does the Bank consider that the after-effects of the civil service dispute have changed the overall picture.

A major factor was the £900m of new mortgage lending. In the same 1980 quarter the banks' market share was only about 7 per cent, but it appears to have progressed through 15 per cent last spring to around 40 per cent during the autumn. The increase in direct lending to manufacturers was comparatively modest at £500m, but this does not include leasing finance which is tucked away in a corner of the services sector under "professional, scientific and miscellaneous" where lending increased by over £800m or more than a tenth.

The Bank of England may be able to comfort itself with the thought that total new mortgage lending, taking banks and building societies together, eased slightly in the quarter. It may also hope that the general surge of lending may be naturally tailing away—though with the economy on a recovery tack that could well be optimistic.

Takeover bids

Takeover bids seem to be getting more expensive these days. The idea of what constitutes an acceptable premium over the previous market price has widened considerably over the last few years. Thus RTZ has offered a premium of about 50 per cent for Thos. W. Ward—and the odds are that it will have to be more generous to clinch victory. BTR's price for buying Serck was around two-thirds above the market, while in more drawn-out affairs—the offers for Armitage Shanks or British Sugar, for instance—the bidders have eventually been prepared to offer more than double the starting price.

In the take-over wave of the early 1970s, such munificence was unheard of. Something between 15 and 30 per cent above the market was usually enough to win the day.

But there is a precedent for current bid prices. The takeover kings of the 1950s were quite happy to pay what looked like enormous prices in the early days of contested bids. Charles Clore bought Sears in 1953 for roughly twice the market price, and some of Isaac Wolfson's greatest hits were made on similar terms.

They were masters at spotting undervalued assets, in a period when balance sheets often gave no clues about up-to-date valuations. In the early 1970s share prices stood much closer to underlying net asset values, and even an apparently modest bid premium would stuff the buyer's balance sheet with dubious goodwill. Today, by contrast, share prices generally stand way below asset values in the balance sheet—which may not have much relation to the company's current earning power. But a bidder who wants to unlock the profits in those assets has to pay a price.

NatWest increases charges on current accounts by up to 11%

BY WILLIAM HALL, BANKING CORRESPONDENT

NATIONAL WESTMINSTER, Britain's biggest high street bank, is increasing personal current account charges by up to 11 per cent. It is reducing the notional interest rate it allows on customer current account balances—to offset charges—by half of one percentage point.

The bank last increased its personal tariff 12 months ago. The latest move brings National Westminster's personal current account charges in many respects into line with those of the other big clearing banks, which raised their tariffs earlier in the year.

Mr Jeff Benson, NatWest's group chief executive, said yesterday: "The increasing costs of operating our transmission service in an inflationary period are such that we cannot reasonably avoid passing some of these on to our customers." He emphasised that even after the increase 70 per cent of the bank's 5m personal customers would not pay bank charges.

The bank will continue to offer free banking to customers maintaining minimum balances of £50 in their accounts. This figure has not been changed since 1974.

When the balance falls below this level, charges for debit items such as cheques are being increased by 2p to 20p. This is in line with the Midland and Lloyds which increased their debit item charges to 20p in the early summer. Barclays' tariff for debit items is 17½p.

NatWest is holding its 12p an item charge for automated items, such as direct debits and standing orders. It reduced this charge from 15p a year ago to encourage customers to use automated as opposed to paper-based transactions and it is the cheapest of the big four clearing banks for automated items.

For customers paying current account charges, the bank will pay a notional interest rate of 1 percentage point below the seven-day deposit rate on their balances. This is a reduction of half a percentage point and brings National Westminster into line with Lloyds Bank. At current interest rates, the allowance is equivalent to 11.5 per cent.

Credit entries will still be free and the bank will waive all charges up to 25p per quarter.

Lloyds, Midland, and Barclays said yesterday they had no immediate plans to increase personal bank charges. They all increased the cost of debit transactions in May by between 14 per cent and 35 per cent.

Pay talks, Page 6

BANK CHARGES ON DEBIT ITEMS

	Minimum balance for free banking £	Automated items p	Cheques p	Notional interest on current balance (per cent)
NatWest	50	12	20	11½
Barclays	50	17½	17½	10½
Midland	100	15	20	8
Lloyds	100	15-20	20	11½
Williams & Glyn's	0	10	20	7

Williams & Glyn's levies charges only on customers whose accounts are overdrawn and these customers are also charged between 10p and 20p for credit items.

Turks may go to the polls in '83

By Metin Munir in Ankara

GENERAL KENAN EVREN, Turkey's military Head of State, yesterday set his country back on the road to civilian rule with a plan for general elections to be held in the autumn of 1983.

The general, who is also Chief of Staff and head of the ruling National Security Council of five military men, announced the scheme in his New Year address.

Initial reaction both from Turks and Western embassies was positive.

The general said that if the new constitution, which is being written by an appointed consultative assembly, is ready by the end of next summer, a referendum to approve it could be held in November 1982, and elections could take place in the following autumn.

Gen Evren warned, however, that implementation of the timetable depended on international developments as well as the speed in which the constitution was drafted.

Ankara expects the general's speech to help to dispel the anti-Turkish mood in Western Europe caused by the social and political repression.

The military administration, which has widespread support at home, has, however, quelled political terror and made much progress towards economic recovery.

The general's address was probably the most self-confident he has made.

Continued from Page 1

Top awards to industry

1981 birthday honours list to 140.

Even the arts and sports sections of what was being described in Whitehall as a "routine" list appear to be heavily weighted towards entrepreneurs and administrators rather than performers.

Exceptions include the champion runners, Mr Steve Ovett and Mr Sebastian Coe, whose attendance at last year's Olympic Games in Moscow against the Prime Minister's wishes appears to have been forgiven. Both have been made MBEs.

Similarly, Mr Bill Beaumont, who defied the Prime Minister by leading the British Lions rugby team in its 1979 South African tour, receives an OBE.

Among those given awards in the arts section is Dame Ninette de Valois, founder of the Sadler's Wells Ballet Company, which later became the Royal Ballet. She becomes a Companion of Honour.

Knighthoods have been awarded to Mr Peter Saunders, the impresario who staged The Mousetrap, the world's longest-running play, and 150 other West End plays, and Dr Roy Strong, director of the Victoria and Albert Museum.

Mrs Thatcher has singled out for particular attention those serving in Northern Ireland. Mr John Hermon, Chief Constable of the Royal Ulster Constabulary, receives a knighthood in recognition of his services.

Mr William Ewart Bell, head of the Northern Ireland Civil Service, is also knighted, and Mr John Marshall, deputy secretary at the Northern Ireland Office, becomes a Companion of the Order of the Bath.

Perhaps the most poignant of the political honours is a knighthood for Mr Tom Galbraith, the 64-year-old Tory MP for Glasgow Hillhead, who is in hospital under intensive care after a long illness and is not expected to return to Westminster.

Mr Galbraith, the heir of Lord Strathclyde, resigned from Mr Harold MacMillan's government in 1962 when he was implicated, though later cleared, in the Vassall spying affair.

He never again held ministerial office but the Prime Minister was understood to be anxious to give recognition for his 34 years as an MP.

Continued from Page 1

Jobs lost

ployment in the economy during the period.

Though the overall fall still works out at about one job lost a minute, the rate of decline is only about half that in the first six months of this year, when employment fell at about 300,000 a quarter.

The Chamber of Commerce survey, which said that much of recent economic recovery was limited to short-term improvement among small companies was pessimistic on prospects of arresting the employment slide.

The report says that though there is evidence that companies are gradually revising investment plans upward, this is not likely to lead to substantial improvement of job prospects.

Of the companies questioned, 41 per cent said they would direct new investment into replacing existing plant, 38 per cent into increasing capacity, and only 20 per cent into creating jobs.

When asked by how much they could expand output with no additional fixed capital or labour, 29 per cent of the companies said to 0 to 10 per cent; 31 per cent by 10 to 20 per cent and 31 per cent by 20 to 30 per cent, indicating considerable slack in the manufacturing economy.

There was no justification for expectations of a sustained upswing, the London Chamber said, and little evidence of long-term investment in stocks.

Buying seemed limited to supplying immediate orders. Some 75 per cent of companies reported that lack of demand was the prime constraint on output, with 90 per cent reporting spare capacity of up to 30 per cent.

The report suggests that prominence of small companies in what recovery there was was due to their ability to respond to [illegible] movements in demand [illegible] with filtering through [illegible] measures introduced in [illegible] Budget [illegible] give small companies easier access to finance.

Weather

UK TODAY

BRIGHT intervals with rain in parts.

London, E., Central and S. England, Channel Islands, Wales
Showers and bright intervals. Max 12C (54F).

N.E. England, Scotland, N. Ireland
Mostly cloudy with rain but some sunny periods. Max 5C (41F).

Orkney and Shetland
Mostly cloudy, rain or sleet. Max 3C (37F).

Outlook: Mild in south, near normal temperatures in the north. Bright periods with rain in parts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	15	59	L. Ang.†	R	12	54
Algiers	S	21	70	Luxmbg.	F	6	43
Amsdm.	F	6	43	Luxor	S	21	70
Athens	S	18	64	Madrid	C	13	55
Bahrain		—	—	Majorca	S	20	68
Barclna.	C	12	54	Malaga	R	17	63
Beirut	F	18	64	Malta	S	21	70
Belfast	C	4	39	M'chstr.	R	8	46
Belgrd.	S	10	50	Melbne.		—	—
Berlin	S	3	37	Mx. C.		—	—
Biarritz	S	13	55	Miami†	F	22	72
Bmghm.	R	8	46	Milan	R	2	36
Blackpl.	C	7	45	Montrl.†	Cl	−17	1
Bordx.	R	11	52	Moscow	C	−3	27
Boulgn.	C	8	46	Munich	F	4	39
Bristol	R	7	45	Nairobi	F	27	81
Brussels	S	9	48	Naples	F	15	59
Budpst.	C	4	39	Nassau		—	—
Cairo	F	19	66	Nwcstl.	C	5	41
Cardiff	C	8	46	N York†	Cl	−1	30
Cas'bca	F	20	68	Nice	R	7	45
Cape T.		—	—	Nicosia	S	17	63
Chicg.†	Cl	−15	5	Oporto		—	—
Cologne	S	7	45	Oslo	Sn	−1	30
Cpnhgn.	S	2	36	Paris	C	9	48
Corfu	S	18	64	Perth	F	21	70
Denver†	Cl	−11	12	Prague	S	3	37
Dublin	R	5	41	Reykjvk.	S	3	37
Dbrvnk.	S	12	54	Rhodes	S	16	61
Ednbgh.	R	3	37	Rio J'o		—	—
Faro	F	16	61	Rome	F	16	61
Florence	S	15	59	Salzbrg.	C	6	43
Frankft.	S	4	39	S Frisco†	C	12	54
Funchal	S	20	68	S. Moritz		—	—
Geneva	R	2	36	Singapr.		—	—
Gibraltar	R	19	66	S'tiago		—	—
Glasgow	C	3	37	Stckhm.	Sn	−1	30
G'rnsey	S	9	48	Strasbg.	F	4	39
Helsinki	C	−1	30	Sydney		—	—
H Kong	C	18	64	Tangier	C	18	64
Innsbrk.	C	1	34	Tel Aviv	F	18	64
Invrnss.	R	1	34	Tenerife	S	22	72
I o Man	R	6	43	Tokyo		—	—
Istanbul	F	12	54	Toronto†	C	−7	19
Jersey	C	8	46	Tunis	F	21	70
Jo'burg		—	—	Valencia	F	19	66
L Pims.	F	22	72	Venice	Fg	4	39
Lisbon	R	14	57	Vienna	Fg	2	36
Locarno	C	1	34	Warsaw	C	3	37
London	C	10	50	Zurich	Fg	0	32

C—Cloudy. Cl—Clear. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Move for standard video systems

BY CHARLES BATCHELOR IN AMSTERDAM

PHILIPS, the Dutch electricals group, and two of its major Japanese rivals in video cassettes, Sony and Matsushita, are on the point of agreeing a common standard for a new mini video cassette which will be used in portable cameras.

The three companies use different systems for their main video recorders, making them all incompatible. Philips claims that agreement on the mini video cassette could lead to an eventual agreement on a common standard for ordinary video cassettes. All three systems would have to be changed to form a comon standard.

The mini cassette will be used in portable video cameras, which a number of Japanese companies believe will replace the 8 mm and Super 8 home movie cameras in the second half of the 1980s.

A number of Japanese companies, including Sony, Hitachi and Sanyo, have been showing prototypes of the video cameras which, so far, use different systems.

Sony UK said yesterday that it hoped early discussions on the new product would lead to a common standard and avoid the rivalry of different systems in video recorders.

Philips itself has launched three different video cassette systems in the last 10 years—none of which are compatible with each other. The video cassette market is dominated by the VHS system developed by the Japanese Victor Company (JVC), a subsidiary of Matsushita. The Sony Betamax system has a larger share of the world market than Philips' V2000, its latest system.

However Philips looks likely to win a world standard for its compact audio disc which it has licensed to a number of companies, including Sony.

Sony link, Page 14

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